

BEFORE THE  
CALIFORNIA WASTE MANAGEMENT BOARD  
FOR THE STATE OF CALIFORNIA

IN THE MATTER OF THE: )  
REGULAR MONTHLY BOARD MEETING )  
FEBRUARY 1989 )  
----- )

**DATE AND TIME: WEDNESDAY, FEBRUARY 15, 1989, 9:00 A.M.**

**PLACE: BOARD HEARING ROOM  
1020 NINTH STREET  
SACRAMENTO, CALIFORNIA**

**REPORTER: BETH C. DRAIN, CSR**  
**CERTIFICATE NO. 7152**

*barristers' reporting service*

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TELEPHONE (714) 953-4447

## APPEARANCES

MR. JOHN E. GALLAGHER, CHAIRMAN (NOT PRESENT)  
MR. JOHN C. MOSCONE, VICE CHAIRMAN  
MR. SAM ARAKALIAN  
MR. PHILLIP BEAUTROW  
MRS. GINGER BREMBERG  
MR. E. L. VARNER  
MR. LES BROWN  
MR. JAMES W. CALLOWAY (NOT PRESENT)

## STAFF PRESENT

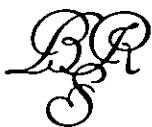
MR. GEORGE T. EOWAN, CHIEF EXECUTIVE OFFICER  
MR. HERBERT IWAHRO, CHIEF DEPUTY EXECUTIVE OFFICER  
MR. ALAN OLDALL, DEPUTY EXECUTIVE OFFICER  
MS. JOELLEN JACKSON, DIRECTOR OF LEGISLATION  
AND PUBLIC AFFAIRS  
MR. ROBERT F. CONHEIM, GENERAL COUNSEL

MR. BILL ORR  
MS. CAREN TRGOVCICH  
MR. NGUYEN VAN HANH  
MR. DENNIS MEYERS  
MR. JESS ADAMS  
MR. DON DIER  
MR. CY ARMSTRONG  
MR. GEORGE LARSON  
MR. JOHN SMITH

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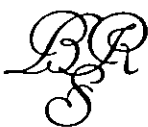
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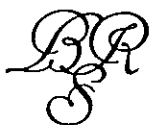
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1 FEBRUARY 15, 1989

2  
3 CALIFORNIA WASTE MANAGEMENT BOARD

4  
5 VICE CHAIRMAN MOSCONE: THIS IS OUR REGULAR AND  
6 DULY CALLED MEETING OF THE CALIFORNIA WASTE MANAGEMENT  
7 BOARD.

8 MR. EOWAN, ARE THERE ANY CHANGES IN THE  
9 AGENDA CONTENT OR ORDER?

10 MR. EOWAN: YES, MR. CHAIRMAN. ITEM -- WE HAVE  
11 SOME REQUESTS FOR SPECIFIC DAYS THAT ITEMS BE HEARD.  
12 ITEM 3 AND ITEM 5 BE HEARD ON THURSDAY, 7 ON FRIDAY, 8 ON  
13 THURSDAY.

14 VICE CHAIRMAN MOSCONE: SEVEN ON FRIDAY?

15 MR. EOWAN: SEVEN ON FRIDAY, 8 ON THURSDAY. NO.  
16 9 ON WEDNESDAY, WHICH IS TODAY. ITEM NO. 11 ON THURSDAY,  
17 ITEM 12 ON FRIDAY. THE GENTLEMAN FROM PLASTIC RECYCLING  
18 CORP., ITEM NO. 20, ON THURSDAY. AND WE WOULD ALSO LIKE  
19 TO DO A PART OF THE SIGNIFICANT STAFF ACTIVITIES ON  
20 THURSDAY, PROBABLY THE LAST ITEM THAT WE DO ON THURSDAY.

21 IT WILL INVOLVE A BRIEF PRESENTATION FROM  
22 RAY MCNALLY IN SOME OF THE ACTIVITIES THAT WE'VE BEEN  
23 UNDERTAKING IN THE PUBLIC INFORMATION AREA, AND THAT'S  
24 THE ONLY TIME THEY CAN COME. THAT WOULD BE THE REQUESTS.  
25 AND MR. CONHEIM HAS A COMMENT.

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1 VICE CHAIRMAN MOSCONE: MR. CONHEIM.

2 ATTORNEY CONHEIM: MR. CHAIRMAN, INASMUCH AS  
3 THERE IS NO QUORUM, YOU ARE ABLE TO HEAR, BUT NOT ACT.  
4 THE LAW SAYS THAT YOU HAVE TO HAVE A QUORUM TO CONDUCT  
5 BUSINESS, BUT PEOPLE HAVE TRAVELED A LONG WAY. THERE ARE  
6 SIGNIFICANT ISSUES THAT I'M CERTAIN YOU WANT TO DISCUSS.  
7 AND I THINK IT IS A REASONABLE IMPLEMENTATION OF THAT LAW  
8 FOR YOU TO PROCEED AND HEAR, BUT YOU MAY NOT ACT ON ANY  
9 ITEM.

10 VICE CHAIRMAN MOSCONE: I DON'T THINK WE'LL HAVE  
11 TOO MUCH ACTION ON THE FIRST PORTION OF THE AGENDA, WHICH  
12 IS ON REGULATIONS, AND WE CAN HEAR IF ANYONE WANTS TO  
13 SPEAK.

14 ATTORNEY CONHEIM: THAT'S CORRECT. MR.  
15 CHAIRMAN, THESE ARE IN THE MANNER OF WORKSHOPS ANYWAY,  
16 AND IT'S APPROPRIATE TO CONDUCT THESE WORKSHOPS AND  
17 PEOPLE HAVE COME TO PARTICIPATE.

18 VICE CHAIRMAN MOSCONE: THANK YOU, MR. CONHEIM.  
19 SO WE'LL PROCEED TO DISCUSS DRAFT REGULATIONS, CHAPTER 5,  
20 ARTICLE 3.4, APPLICATION AND APPROVAL OF CLOSURE AND  
21 POSTCLOSURE MAINTENANCE PLANS.

22 BOARD MEMBER BEAUTROW: SOME TIME AGO WE WERE  
23 HANDED A MASTER SCHEDULE FOR ALL OF THESE REGS. YOU  
24 KNOW, IT'S QUITE COMPLICATED. HOW ARE WE DOING ON THAT  
25 SCHEDULE?



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1 MR. EOWAN: DOING FINE. RIGHT ON SCHEDULE.  
2 THERE'S ONE AREA, HAVING TO DO WITH THE COSWMP PORTION,  
3 THAT MIGHT FALL A LITTLE BIT BEHIND BECAUSE WE'RE --  
4 SINCE WE PUT THAT SCHEDULE TOGETHER, WE DECIDED TO  
5 ACTUALLY DO MORE WORK ON IT THAN WE ORIGINALLY  
6 ANTICIPATED WE WOULD. BUT OTHER THAN THAT, I THINK WE'RE  
7 RIGHT ON SCHEDULE, AND WE'RE PLANNING OUR BOARD MEETINGS  
8 ACCORDINGLY; THREE-DAY BOARD MEETINGS AND TWO-DAY BOARD  
9 MEETINGS, ACCORDING TO THAT SCHEDULE AS MUCH AS WE CAN  
10 POSSIBLY ANTICIPATE GIVEN THAT SCHEDULE.

11 BOARD MEMBER BEAUTROW: IT'S VERY COMPLEX AND  
12 COMPLICATED.

13 MR. EOWAN: APPRECIATE YOUR BRINGING IT UP.

14 MR. IWAHIRO: YES, MR. CHAIRMAN. ON THIS  
15 PARTICULAR ITEM, IT'S KIND OF LIKE A CONTINUATION OF THE  
16 LAST BOARD MEETING WITH REGARD TO THE APPROVAL PROCESS  
17 FOR THE CLOSURE AND POSTCLOSURE MAINTENANCE PLANS. AS  
18 YOU KNOW, WE'RE SUPPOSED TO BE RECEIVING  
19 CLOSURE/POSTCLOSURE MAINTENANCE PLANS, AND WE NEED TO  
20 DEVELOP A PROCEDURE FOR APPROVING THOSE BY THIS BOARD.

21 THESE PARTICULAR -- THE CONCEPTS WERE  
22 BROUGHT TO YOU BEFORE AND ALSO WE HAVE DISCUSSED THESE IN  
23 WORKSHOPS IN THE PAST. AND BILL ORR AND HIS GROUP HAVE  
24 NOW DRAFTED UP SOME SPECIFIC LANGUAGE. SO WE WOULD LIKE  
25 TO REVIEW THESE PRIOR TO GOING INTO THE OAL PROCESS WHICH

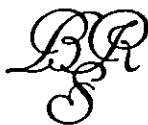
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1 IS THE MORE FORMAL PROCESS.

2 SO WE'RE ALSO GETTING FURTHER INPUT FROM  
3 OUTSIDE GROUPS AND, OF COURSE, THIS IS FOR YOUR LOOK AT  
4 AND FEEDBACK TO US PRIOR TO THE FORMAL OAL PROCESS.  
5 BILL.

6 MR. ORR: THANK YOU, MR. IWAHRO. GOOD MORNING,  
7 MR. CHAIRMAN AND BOARD MEMBERS.

8 THIS MORNING WE'RE GOING TO PICK UP WHERE  
9 WE LEFT OFF LAST MONTH. LAST MONTH WE WERE TALKING ABOUT  
10 THE UNIFORM STANDARDS FOR CLOSURE AND POSTCLOSURE  
11 MAINTENANCE, AND WE ALSO DISCUSSED THE PORTION OF THE  
12 REGULATIONS IN THIS ARTICLE THAT PERTAIN TO THE CONTENTS  
13 OF THE CLOSURE PLAN AND THE POSTCLOSURE MAINTENANCE PLAN.  
14 ALTHOUGH THOSE ITEMS ARE INCLUDED IN THE BOARD PACKET  
15 TODAY, THE CONTENTS, WE WON'T BE GOING THROUGH THOSE  
16 AGAIN, BUT THEY ARE THERE FOR A COMPREHENSIVE PACKAGE.

17 I WOULD LIKE TO MENTION TWO THINGS. FIRST  
18 OF ALL, THAT THE ADVISORY COMMITTEE THAT YOU'VE RECEIVED  
19 A PREVIOUS PRESENTATION ON, THE RECOMMENDATIONS OF THIS  
20 ADVISORY COMMITTEE HAVE BEEN INCORPORATED INTO THESE  
21 DRAFT REGULATIONS, AND THE ACTUAL RECOMMENDATIONS FROM  
22 THE ADVISORY COMMITTEE WILL BE PRESENTED TO YOU LATER IN  
23 THIS MEETING UNDER A SEPARATE AGENDA ITEM.

24 AND IN TERMS OF THE ACTUAL LANGUAGE HERE,  
25 IT INCLUDES THE INPUT THAT WE'VE RECEIVED FROM THE



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1 WORKSHOPS THAT WE HELD AND OTHER SOURCES OF INFORMATION,  
2 AS WELL AS THE RECOMMENDATIONS OF THE ADVISORY COMMITTEE.

3 SO WITH THAT, I'M GOING TO TURN THE  
4 MICROPHONE OVER TO CAREN TRGOVCICH, WHO WILL ACTUALLY GO  
5 THROUGH THE APPLICATION AND APPROVAL PROCESS.

6 MS. TRGOVCICH: GOOD MORNING, MR. CHAIRMAN AND  
7 MEMBERS. ITEM NO. 1(A) TODAY IS A DISCUSSION ON THE  
8 PROPOSED DRAFT REGULATIONS FOR THE ADOPTION PROCEDURES OF  
9 THE CLOSURE AND POSTCLOSURE MAINTENANCE PLANS. AB 2448,  
10 EASTIN, WHICH WAS PASSED IN 1987, REQUIRED THAT THE BOARD  
11 ADOPT REGULATIONS BY JULY 1, 1989, SPECIFYING THE  
12 ADOPTION PROCEDURES FOR THESE PLANS. THIS ITEM GOES  
13 THROUGH EACH OF THE SECTIONS WHICH STAFF FEELS ARE  
14 NECESSARY IN ORDER TO APPROVE OF THE PLANS WHICH ARE  
15 GOING TO BE SUBMITTED OVER THE NEXT MANY YEARS.

16 ON PAGE 2 OF THE YOUR BOARD PACKET IS A  
17 LIST OF THOSE SECTIONS THAT WE'RE GOING TO BE SUMMARIZING  
18 FOR YOU TODAY. THE TWO SECTIONS THAT BILL REFERRED TO  
19 ARE SECTION 18261 AND 18265, WHICH HAVE AN ASTERISK NEXT  
20 TO THEM, AND WE WILL NOT BE DISCUSSING THOSE TODAY.

21 AS BILL MENTIONED AS WELL, THE ADVISORY  
22 COMMITTEE RECOMMENDATIONS ARE BEING INCORPORATED INTO  
23 THESE DRAFT REGULATIONS WHICH YOU HAVE BEFORE YOU RIGHT  
24 NOW. AND THAT IS A MAJOR CHANGE FROM THE LAST DRAFT THAT  
25 WAS SEEN HERE AND WHICH WAS COMMENTED ON BY THE PUBLIC IN

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1 OUR WORKSHOPS.

2 THE OTHER MAJOR CHANGES WHICH ARE IN THIS  
3 CURRENT DRAFT ARE THE TIME FRAMES IN TERMS OF REVIEW TIME  
4 FRAMES OF THOSE PLANS. THEY HAVE BEEN CHANGED. THE  
5 PLANS FOR PARTIAL CLOSURE OR INCREMENTAL CLOSURE, THE  
6 APPROVAL PROCESS HAS BEEN EXPANDED TO INCLUDE, NOT ONLY  
7 APPROVAL OF INCREMENTAL CLOSURE OF A FACILITY, BUT  
8 APPROVAL OF SPECIFIC ACTIVITIES THAT COULD BE  
9 IMPLEMENTED. AND WE'LL GET TO THAT SECTION A LITTLE  
10 LATER.

11 THE NUMBER OF DAYS WHICH ARE ALLOCATED FOR  
12 REVIEW HAVE ALSO BEEN EXPANDED TO ACCOMMODATE THE  
13 REGIONAL WATER QUALITY CONTROL BOARDS AND THEIR NEED TO  
14 BRING THESE PLANS BEFORE THEIR BOARDS FOR APPROVAL PRIOR  
15 TO SUBMITTING A FORMAL WRITTEN RECOMMENDATION TO THIS  
16 BOARD AS FAR AS APPROVAL OR DENIAL OF THE PLANS ARE  
17 CONCERNED.

18 I WANT YOU ALSO TO NOTICE THAT THERE'S BEEN  
19 A SLIGHT CHANGE IN FORMAT TO THIS MONTH'S SUBMITTAL TO  
20 YOU. THERE'S ANOTHER SECTION THAT'S BEEN ADDED TO THE  
21 FORMAT, AND THAT IS AN ALTERNATIVES CONSIDERED SECTION.  
22 THIS IS IN ORDER TO MEET THE REQUIREMENTS OF THE OFFICE  
23 OF ADMINISTRATIVE LAW, AND THESE SECTIONS WILL BE  
24 EXPANDED AS WE CONTINUE TO HEAR FROM THE PUBLIC AND  
25 CONTINUE TO RECEIVE YOUR COMMENTS ON THESE DRAFT

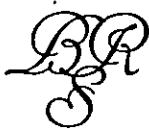
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1 REGULATIONS.

2 OAL REQUIRES THAT WE DISCUSS OTHER  
3 ALTERNATIVES, AND ONLY IN THIS TYPE OF PUBLIC FORUM CAN  
4 WE BE ABLE TO UNCOVER WHAT THOSE OTHER ALTERNATIVES ARE  
5 AND TO EITHER INCORPORATE THEM INTO THE DRAFT REGULATIONS  
6 OR SPECIFY A REASON FOR NOT INCORPORATING THEM.

7 THE FIRST TWO SECTIONS OF THESE DRAFT  
8 REGULATIONS ARE SCOPE AND APPLICABILITY. THESE SECTIONS  
9 ARE IMPORTANT IN ORDER TO NOTIFY THE REGULATED COMMUNITY  
10 WHAT THESE REGULATIONS INTEND TO COVER, AND WHAT THESE  
11 REGULATIONS COVER ARE SOLID WASTE LANDFILLS, AS AB 2448  
12 REQUIRES, AND THE PREPARATION OF CLOSURE AND POSTCLOSURE  
13 MAINTENANCE PLANS FOR THOSE FACILITIES.

14 THE LAW MAKES IT VERY CLEAR AS FAR AS WHAT  
15 TYPES OF FACILITIES ARE TO SUBMIT CLOSURE AND POSTCLOSURE  
16 MAINTENANCE PLANS. UNDER APPLICABILITY, WHICH IS ON PAGE  
17 5 OF YOUR PACKET, THE DRAFT REGULATIONS DISCUSS THE LAW  
18 AS WELL AS CLARIFY WHAT TYPES OF FACILITIES NEED TO BE  
19 INCLUDED IN THE PLANS.

20 AND WHAT WE'RE TALKING ABOUT ARE, NOT ONLY  
21 THE LANDFILLS WHICH ARE PERMITTED AS SOLID WASTE  
22 FACILITIES, BUT OTHER PERTINENT FACILITIES LOCATED AT THE  
23 SITE OF A SOLID WASTE LANDFILL WHICH ARE RELATED TO THE  
24 DISPOSAL ACTIVITIES OF THE LANDFILL. AND WE HAD TALKED  
25 ABOUT THIS STANDARD ALSO IN THE UNIFORM STANDARDS FOR

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1 CLOSURE AND POSTCLOSURE IN TERMS OF WHAT TYPES OF  
2 FACILITIES THOSE WOULD COVER. AND SPECIFIC EXAMPLES WERE  
3 GIVEN IN THOSE UNIFORM STANDARDS.

4 WHEN WE MOVE ON TO PAGE 6, WE START MOVING  
5 INTO THE IMPORTANT ASPECT OF WHAT NEEDS TO BE DONE WITH  
6 THESE PLANS AND HOW THE APPROVAL PROCESS PROCEEDS UNDER  
7 SUBMITTAL OF THE CLOSURE AND POSTCLOSURE MAINTENANCE  
8 PLANS.

9 SECTION 18255 RESTATES THE STATUTE ONCE  
10 AGAIN AS FAR AS WHEN THE PLANS MUST BE SUBMITTED, AND IT  
11 ALSO CLARIFIES THAT FOR THE VARIOUS TYPES OF PLANS THAT  
12 ARE COMING IN. IN THIS SECTION WE NOT ONLY DISTINGUISH  
13 BETWEEN PRELIMINARY AND FINAL PLANS, WHICH WE DISCUSSED  
14 AT LAST MONTH'S MEETING, BUT WE ALSO DISTINGUISH BETWEEN  
15 A PLAN FOR A COMPLETE SITE CLOSURE VERSUS A PLAN FOR  
16 PARTIAL OR INCREMENTAL CLOSURE OF THE FACILITY.

17 I'D LIKE TO JUST HIGHLIGHT THE POINTS IN  
18 THIS SECTION ON PAGE 7 OF YOUR PACKET. UNDER COMPLETE  
19 SITE CLOSURE, WE TALK ABOUT PRELIMINARY CLOSURE PLANS,  
20 THE SUBMITTAL OF, AND WE TALK ABOUT THE SUBMITTAL OF  
21 FINAL CLOSURE PLANS. THEN WE HAVE ANOTHER SECTION  
22 ENTITLED "PARTIAL CLOSURE OF THE FACILITY," AND THIS  
23 TALKS ABOUT TWO AREAS.

24 UNDER B(1) WE TALK ABOUT INCREMENTAL  
25 CLOSURE OF DISCRETE UNITS AT A FACILITY, AND THAT THE



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1 OPERATOR MUST OBTAIN FINAL APPROVAL FOR THE PLANS FOR THE  
2 INCREMENTAL CLOSURE PRIOR TO IMPLEMENTATION.

3 UNDER 2, WE TALK ABOUT IMPLEMENTING A  
4 SPECIFIC ACTIVITY AND THE FACT THAT THE OPERATOR MUST  
5 OBTAIN APPROVAL OF THE PLANS PRIOR TO IMPLEMENTING ANY  
6 SPECIFIC ACTIVITY. I'D LIKE TO BRING UP AN EXAMPLE HERE  
7 TO DESCRIBE WHAT WE'RE TALKING ABOUT.

8 WE HAD MANY INQUIRIES FROM THE LOS ANGELES  
9 SANITATION DISTRICT REGARDING THE METHOD IN WHICH THEY  
10 CURRENTLY OPERATE THEIR FACILITIES. WHILE THEY MAY HAVE  
11 AN OVERALL PLAN FOR CLOSURE AND POSTCLOSURE MAINTENANCE,  
12 SEVERAL OF THOSE ACTIVITIES MAY BE MORE WORTHWHILE  
13 CARRIED OUT AT A TIME PRIOR TO THE LAST DATE THAT THEY  
14 RECEIVE WASTE FOR PLACEMENT IN THE LANDFILL.

15 THEY MAY WISH TO INSTALL MONITORING WELLS.  
16 THEY MAY WISH TO PLACE INTERMEDIATE COVER OR SOME OTHER  
17 FORM OF COVER OVER CERTAIN AREAS OF THE LANDFILL. THERE  
18 MAY BE OTHER MONITORING DEVICES THAT THEY WANT TO INSTALL  
19 PRIOR TO CLOSURE. AND WE FEEL THAT IT'S IMPORTANT TO  
20 ALLOW THIS TYPE OF ACTIVITY TO TAKE PLACE, BUT WE ALSO  
21 FEEL IT'S IMPORTANT THAT THIS ACTIVITY BE APPROVED PRIOR  
22 TO IMPLEMENTATION IN ORDER THAT IT BE INCORPORATED INTO  
23 THE OVERALL PLAN FOR THE FACILITY.

24 BOARD MEMBER BREMBERG: MR. CHAIRMAN, MAY I JUST  
25 TAKE A MOMENT?



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1 VICE CHAIRMAN MOSCONE: MRS. BREMBERG.

2 BOARD MEMBER BREMBERG: CAREN, SEVERAL PEOPLE IN  
3 OUR WASTESHED HAVE ASKED US -- AND I PROMISED THAT I  
4 WOULD ASK, AND THIS IS AS GOOD A TIME AS ANY -- IF GREEN  
5 WASTE IS EVER ELIGIBLE TO BE USED AS COVER.

6 THERE'S A PREGNANT PAUSE.

7 MR. ORR: WELL, I THINK THAT THAT ISSUE, NOT  
8 SPECIFICALLY THAT WASTE TYPE, HAS COME BEFORE THE BOARD  
9 SEVERAL TIMES IN RECENT MONTHS. AND IT HAS COME TO THE  
10 STAFF'S ATTENTION IN A VARIETY OF DIFFERENT WAYS OVER THE  
11 LAST COUPLE OF YEARS.

12 IN TERMS OF WHETHER, FOR EXAMPLE, GREEN  
13 WASTE WOULD BE ABLE TO BE USED AS A COMPONENT OF FINAL  
14 COVER, THAT'S SOMETHING THAT WOULD DEPEND ON HOW IT WOULD  
15 FUNCTION WITHIN THE DISCUSSIONS WE'VE HAD ON THE  
16 DIFFERENT THINGS THAT FINAL COVER SHOULD DO. FOR  
17 EXAMPLE, IF -- CURRENTLY, UNDER SUBCHAPTER 15, WASTE IS  
18 ALLOWED IN THE FOUNDATION LAYER OF A FINAL COVER. AND SO  
19 IT MAY BE APPROPRIATE FOR SOME TYPES OF WASTE TO BE  
20 INCORPORATED INTO THAT LAYER.

21 IT MAY NOT INCLUDE GREEN WASTE IN THAT  
22 LAYER BECAUSE THE PRIMARY FUNCTION OF THE FOUNDATION  
23 LAYER IS TO MAKE A HARD SURFACE AGAINST WHICH YOU CAN  
24 PLACE THE LOW PERMEABILITY LAYER.

25 THERE HAVE BEEN A NUMBER OF DISCUSSIONS

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1 ABOUT WHAT TYPES OF MATERIAL MIGHT BE INCORPORATED INTO  
2 WHAT'S CALLED THE VEGETATIVE LAYER, AND SOMETHING LIKE  
3 GREEN WASTE MIGHT BE CONSIDERED FOR INCORPORATION INTO  
4 THAT LAYER. FOR EXAMPLE, SOME PEOPLE WILL COMPOST --  
5 HAVE COMPOSTING FACILITIES. SOME PEOPLE HAVE EVEN  
6 MENTIONED PUTTING SEWAGE SLUDGE AND INCORPORATING THAT AS  
7 A SOIL AMENDMENT INTO A VEGETATIVE LAYER.

8 WHAT IT'S GOING TO COME DOWN TO IS WHEN WE  
9 PROMULGATE OUR FINAL COVER REGULATION, A PERFORMANCE  
10 ORIENTED STANDARD, IT WILL BE AN ASSESSMENT ON THE PART  
11 OF AN ENGINEER MAKING A RECOMMENDATION THAT A GREEN WASTE  
12 WOULD BE APPROPRIATE WITHIN A GIVEN LAYER AND THEN US  
13 REVIEWING IT TO SEE THAT, IN FACT, IT MEETS THE  
14 PERFORMANCE GOALS THAT WE'VE SET.

15 SO THAT'S -- THAT'S THE BEST ANSWER I CAN  
16 GIVE, THAT THERE ARE PLACES THAT MAY BE APPROPRIATE FOR  
17 WASTE TO BE PUT IN.

18 BOARD MEMBER BREMBERG: THE REASON I'M ASKING IS  
19 THAT THE CITY OF LA CANADA-FLINTRIDGE, WE HAVE THEM ON A  
20 REAL TIGHT REIN AS FAR AS RECYCLING AND WASTE REDUCTION  
21 IN THE WASTE STREAM. AND THEY INSIST THAT -- AND I GUESS  
22 THEY CAN PROBABLY PROVE IT -- THEY INSIST THAT 75 PERCENT  
23 OF THEIR WASTE IS GREEN WASTE. AND THEY KEEP -- THEIR  
24 TASK FORCE ON SOLID WASTE IS TRYING TO AVOID CURBSIDE  
25 RECYCLING BECAUSE IT WOULD DIMINISH THEIR IMAGE, AND SO



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1 THEY WANT TO HAVE US COUNT THEIR GREEN WASTE AS A WASTE  
2 REDUCTION BY USING IT AS COVER. AND I, IN MY INFINITE  
3 WISDOM, SAID "NO WAY." SO THEN I THOUGHT MAYBE I BETTER  
4 FIND OUT IF I WERE CORRECT OR IF I'M GOING TO HAVE TO  
5 TREAD WATER.

6 MR. EOWAN: WELL, I THINK BILL WAS RIGHT IN WHAT  
7 HE SAID. JUST TO ADD ON TO WHAT HE WAS SAYING, THAT  
8 THERE'S PROBABLY NOT A CATEGORICAL ANSWER TO THAT.

9 BOARD MEMBER BREMBERG: IT CANNOT BE USED AS A  
10 DAILY PART OF A DAILY COVER, OR CAN IT?

11 MR. EOWAN: WELL, WE'RE WORKING ON THAT. LET ME  
12 SAY THAT. WE'RE WORKING WITH THE L.A. SANITATION  
13 DISTRICTS ON THAT. THEY'VE ASKED FOR US TO WORK WITH  
14 THEM TO SEE IF WE CAN DO SOMETHING LIKE THAT. IT DOES  
15 TAKE A CASE-BY-CASE ANALYSIS OF EXACTLY WHAT WE MEAN BY  
16 THE GREEN WASTE BEING USED AND HOW IT'S GOING TO BE USED.

17 BOARD MEMBER BREMBERG: FROM OUR POINT OF VIEW,  
18 COULD WE CONSIDER THAT AS A WASTE REDUCTION?

19 MR. EOWAN: IT'S POSSIBLE. THAT'S -- I'M NOT  
20 SAYING YES.

21 BOARD MEMBER BREMBERG: WE GAVE THEM A MAY 1ST  
22 DEADLINE. THAT'S WHY THEY'RE RATHER CURIOUS ABOUT THE  
23 ANSWER.

24 MR. EOWAN: THAT'S THE KIND OF QUESTION THAT  
25 TAKES MORE THAN A QUICK OFF-THE-CUFF ANSWER. WE'D HAVE



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1 TO REALLY LOOK AT IT AND SEE WHAT THEY'RE DOING.

2 BOARD MEMBER BREMBERG: WOULD YOU, PLEASE?

3 MR. EOWAN: I'D BE HAPPY TO.

4 VICE CHAIRMAN MOSCONE: MR. BROWN.

5 BOARD MEMBER BROWN: I JUST HAD A QUESTION WHEN  
6 WE GOT INTO A COUPLE OF AREAS THERE. MY FIRST QUESTION  
7 HAD TO DO IS THE GREEN WASTE THAT MS. BREMBERG IS TALKING  
8 ABOUT DAILY GREEN WASTE --

9 BOARD MEMBER BREMBERG: YES.

10 BOARD MEMBER BROWN: -- OR IS IT IN A COMPOSTED  
11 STATE?

12 BOARD MEMBER BREMBERG: NO, IT'S DAILY.

13 VICE CHAIRMAN MOSCONE: I HAD A QUESTION. IF  
14 IT'S COMPOST, WOULD THIS NOT REQUIRE A PERMIT FROM OR  
15 ALLOWED BY WATER QUALITY?

16 (BOARD MEMBER ARAKALIAN ARRIVED AT 9:20.)

17 MR. ORR: I THINK THAT WHEREVER THAT COMPOST  
18 WOULD BE PROCESSED, THAT WOULD HAVE TO BE ACCOMMODATED  
19 WITHIN THE PERMITS THERE. WE'RE NOT EVEN NECESSARILY  
20 TALKING ABOUT WHAT THE INTERVENING STEPS WOULD BE BEFORE  
21 IT WAS APPLIED TO THE LANDFILL. SO GOING THROUGH AND  
22 GETTING THE GREEN WASTE FROM WHERE IT'S COLLECTED TO BE  
23 BEING PLACED ON THE LANDFILL MAY HAVE SOME INTERMEDIATE  
24 STEPS THAT MAY HAVE SOME ADDITIONAL REQUIREMENTS.

25 THE OTHER THING -- THE OTHER ISSUE THAT'S



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1 COME UP A LOT TO US SORT OF VICARIOUSLY HAS BEEN PEOPLE  
2 THAT HAVE BEEN INQUIRING REGARDING THE NEW SOLID WASTE  
3 DISPOSAL FEE THAT WILL BE ASSESSED BY THE STATE BOARD OF  
4 EQUALIZATION. AND A LOT OF PEOPLE ARE ASKING QUESTIONS  
5 SIMILAR TO THE ONE THAT YOU RAISED FOR OTHER REASONS  
6 ASIDE FROM A PURELY TECHNICAL REASON OR A PURE WASTE  
7 REDUCTION REASON, BUT, RATHER, TO MAYBE REDUCE THE AMOUNT  
8 OF FEE THAT THEY WILL HAVE TO PAY TO THE STATE BOARD OF  
9 EQUALIZATION.

10 AND SO THERE ARE A NUMBER OF ISSUES ALL  
11 BOUND UP IN THAT QUESTION. AND IN TERMS OF RESOLVING  
12 THAT ISSUE, THAT'S SOMETHING THAT THE BOARD OF  
13 EQUALIZATION IS ATTEMPTING TO RECTIFY IN THEIR PROCESS.  
14 ULTIMATELY, I BELIEVE THEY'LL HAVE TO GO THROUGH A  
15 REGULATIONS DEVELOPMENT PROCESS OF THEIR OWN TO ANSWER  
16 SOME OF THOSE QUESTIONS.

17 THEY ALSO, I BELIEVE, INTRODUCED A BILL OR  
18 ARE INVOLVED IN A BILL BEING INTRODUCED THAT WOULD CHANGE  
19 ONE OF THE PHRASES IN THE EASTIN LEGISLATION BECAUSE  
20 CURRENTLY THE WAY THE LEGISLATION INDICATES IS THAT THE  
21 FEE IS TO BE ASSESSED BASED ON THE AMOUNT OF WASTE  
22 HANDLED. AND SO THAT WOULD NOT SEEM TO ALLOW FOR  
23 SOMETHING THAT WAS USED AS COVER, BUT IS HANDLED, TO BE  
24 ELIMINATED FROM THE FEE.

25 NOW, IF THE WORD THAT THEY'RE CHANGING IS



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1 THE WASTE DISPOSED OF, AND SO THEN IT WOULD BE MORE OF A  
2 CASE OF WHETHER THAT CONSTITUTES DISPOSAL OR SOME OTHER  
3 USE OF THE MATERIAL. SO IT'S AN IMPORTANT ISSUE THAT YOU  
4 RAISE.

5 VICE CHAIRMAN MOSCONE: MAY I INTERRUPT? FOR  
6 THE RECORD, WE NOW HAVE A QUORUM WITH THE ARRIVAL OF MR.  
7 ARAKALIAN.

8 BOARD MEMBER BEAUTROW: RIGHT. NOW, THIS  
9 DISCUSSION ABOUT WAIVERS, YOU KNOW, FOR THE DAILY COVER  
10 AND REMEMBER THE BROUHAHA WE HAD ABOUT THE AUTO SHREDDER  
11 FLUFF LAST MEETING, AND WE'RE NOT TALKING THAT WHEN WE'RE  
12 CONSIDERING THIS; IS THAT CORRECT? I MEAN, WE'RE NOT  
13 TALKING ABOUT WAIVERS, BUT WE'RE TALKING ABOUT AN  
14 UNDERSTANDING OF WHAT ARE THE MATERIALS THAT CAN BE USED  
15 IN THIS WHOLE SCENARIO OF THE VARIOUS LAYERS.

16 MR. ORR: IT WILL COME DOWN TO WHAT'S A SUITABLE  
17 MATERIAL FOR USE AS COVER, AND IT MAY NOT BE AUTO  
18 SHREDDER WASTE, BUT YOU HAVE TO GO THROUGH A SIMILAR  
19 PROCESS TO ASSESS THE USE OF THAT MATERIAL.

20 BOARD MEMBER BEAUTROW: WELL, PEOPLE ARE GETTING  
21 DESPERATE. THANKS.

22 VICE CHAIRMAN MOSCONE: IN THIS LAST SENTENCE IN  
23 NO. 4 ON PAGE 7, A PLANNED EXPANSION OF THE SOLID WASTE  
24 LANDFILL WHICH HAS NOT YET BEEN PERMITTED ACCORDING TO  
25 SECTION 18200 ET SEQ. DOES NOT RELIEVE AN OPERATOR OF THE



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1 RESPONSIBILITIES OF THIS SUBSECTION. THIS HAS TO DO WITH  
2 EXPANSION, I BELIEVE, DOES IT NOT?

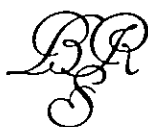
3 MS. TRGOVCICH: IT HAS TO DO WITH -- WHAT WE'RE  
4 SAYING THERE IS THAT AN OPERATOR IS REQUIRED TO SUBMIT  
5 HIS PLAN FOR CLOSURE AND POSTCLOSURE MAINTENANCE BY A  
6 CERTAIN DATE. THE LAW REQUIRES THAT IF THERE IS NOT  
7 SUFFICIENT CAPACITY, REMAINING CAPACITY, TO CARRY THEM  
8 BEYOND SEPTEMBER 27, 1992, WHICH IS FIVE YEARS FROM THE  
9 DATE OF ENACTMENT OF THE LEGISLATION, THAT THEY HAVE TO  
10 SUBMIT THESE PLANS BY JULY 1, 1990.

11 WHAT WE'RE SAYING HERE IS THAT, EVEN IF  
12 THEY PLAN AN EXPANSION, IF IT'S NOT YET BEEN APPROVED AND  
13 WITHOUT THAT EXPANSION THEY HAVE LESS THAN FIVE YEARS  
14 REMAINING CAPACITY, THAT THEY ARE STILL BOUND TO SUBMIT  
15 THOSE PLANS BY THE JULY 1, 1990, DEADLINE.

16 VICE CHAIRMAN MOSCONE: DESPITE THE FACT THEY DO  
17 NOT HAVE THE REQUIRED PERMITS OR APPROVALS AND ALL OF  
18 THAT, THEY STILL HAVE TO FILE?

19 MS. TRGOVCICH: RIGHT. IN FACT, WHAT WE'RE  
20 SAYING IS THAT BECAUSE YOU DON'T HAVE THE REQUIRED  
21 PERMITS OR APPROVALS, WE'RE NOT CERTAIN THAT THAT  
22 EXPANSION IS, IN FACT, GOING TO GO THROUGH; AND,  
23 THEREFORE, YOU MUST CALCULATE YOUR DATE OF CLOSURE BASED  
24 UPON WHAT IS EXISTING CURRENTLY.

25 THE NEXT SECTION IS ANOTHER RESTATEMENT OF



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1 AB 2448. AND I'D JUST LIKE TO POINT OUT HERE THAT, WHILE  
2 A LOT OF THESE SECTIONS DO RESTATE SENTENCES OR SMALL  
3 PORTIONS OF THE LAW, IT'S MEANT TO CLARIFY FOR THE  
4 OPERATOR SO THAT THE OPERATOR CAN LOOK IN ONE LOCATION OF  
5 OUR REGULATIONS AND FIND OUT ALL THE REQUIREMENTS THAT HE  
6 OR SHE MUST MEET IN ORDER TO FULFILL THE MEANING BEHIND  
7 AB 2448.

8 WHAT THIS SECTION DOES IS THE LAW STATES  
9 THAT AN OPERATOR CANNOT OPERATE MORE THAN ONE YEAR FROM  
10 THE DATE THAT THE PLANS ARE SUBMITTED IF THEY ARE NOT  
11 APPROVED, THAT THERE'S A ONE-YEAR TIME FRAME IN WHICH AN  
12 OPERATOR CAN SUBMIT PLANS AND THE AGENCIES CAN APPROVE  
13 PLANS. IF THE PLANS ARE NOT APPROVED WITHIN THAT ONE  
14 YEAR, THE FACILITY MUST NO LONGER -- CAN NO LONGER  
15 OPERATE UNTIL THE PLANS ARE APPROVED.

16 WHAT WE DO IN THIS SECTION IS RESTATE THAT  
17 PHRASE AND ATTEMPT TO CLARIFY IT BY STATING THAT THE  
18 STARTING POINT FOR CALCULATION OF THAT ONE-YEAR TIME  
19 FRAME IS THE DATE IN WHICH THOSE PLANS WERE REQUIRED TO  
20 BE SUBMITTED PURSUANT TO LAW. SO THAT IF AN OPERATOR  
21 HAS -- HIS FIVE-YEAR REVIEW IS DUE ON JANUARY 21, 1991,  
22 AND THE CLOSURE PLAN IS REQUIRED TO BE SUBMITTED ON  
23 JANUARY 21, 1991, THAT HE HAS ONE YEAR, EXACTLY, FROM  
24 THAT DATE TO OBTAIN APPROVAL OF THOSE PLANS.

25 BOARD MEMBER BEAUTROW: WHAT'S THE PENALTY?



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1 MR. ORR: WELL, THE PENALTY IS THAT UNDER THE  
2 LAW THEY CAN'T CONTINUE TO OPERATE, BUT OUR ENCOURAGEMENT  
3 HERE IS THAT UNDER THE LAW IT SAYS THAT FROM THE DATE OF  
4 SUBMITTAL. WELL, OUR CONCERN IS THAT A LANDFILL  
5 OPERATOR, SO THEY WON'T START THE CLOCK, WON'T SUBMIT  
6 THEIR PLAN ON TIME. AND SO IF WE START THE CLOCK FROM  
7 THE DATE THAT THEY WERE SUPPOSED TO SUBMIT THE PLAN,  
8 THERE WON'T BE THE INCENTIVE NOT TO SUBMIT IT AND START  
9 THE ONE-YEAR CLOCK.

10 BOARD MEMBER BEAUTROW: DO YOU SAY SOMETHING  
11 HERE ABOUT THE REVOCATION OF THE FACILITY PERMIT? OR IN  
12 OTHER WORDS, I ALWAYS SAY REAL COLDLY, "YOU'RE NOT  
13 SUPPOSED TO DO THIS." AND SOMETIMES IN LAWS THEY'LL SAY  
14 THIS IS A MISDEMEANOR OR SOMETHING. IS THERE SOME  
15 WARRANTED REASON TO PUT LANGUAGE IN HERE AS TO THE --  
16 COULD BE SUBJECT TO THE REVOCATION OF THE --

17 ATTORNEY CONHEIM: YOU PERHAPS COULD REFER TO  
18 THE EXISTING AUTHORITY IN A STATUTE, ALTHOUGH OAL DOESN'T  
19 LIKE THAT MUCH AND THEY MIGHT BOUNCE IT OUT. IT DOES  
20 EXIST INDEPENDENTLY IN THE STATUTE AND -- BUT WE SHOULD  
21 CONSIDER THAT. THE MORE YOU REPEAT, THE MORE YOU MAKE  
22 CROSS-REFERENCES, THE MORE REDUNDANCY YOU PUT IN YOUR  
23 REGULATIONS, THE MORE LIKELIHOOD THAT OAL WILL KNOCK YOUR  
24 SOCKS OFF ABOUT IT. THEY JUST DON'T LIKE IT.

25 SO WE HAVE MADE A CHOICE THAT CERTAIN



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1 REDUNDANCY IS ABSOLUTELY ESSENTIAL SO THAT YOU CAN MOVE  
2 AHEAD AND ACTUALLY COMPLY WITH THE REGULATIONS. WE CAN  
3 ADD THAT TO OUR CONSIDERATION, BILL. AND WHEN WE GET  
4 READY TO SUBMIT THESE TO OAL, I THINK WE'LL HAVE TO GO  
5 BACK THROUGH THEM AND JUST GET A BETTER FEELING AMONG  
6 OURSELVES AS TO WHAT OUR CHANCES ARE OF PUTTING  
7 REGULATIONS THROUGH THE WAY WE THINK THEY OUGHT TO GO  
8 THROUGH.

9 BOARD MEMBER BEAUTROW: THIS UNDERSTANDING OF  
10 THE PENALTIES SEEMS TO BE ONE OF THE WEAKEST AREAS THAT  
11 WE DEAL WITH. THEY SAY, "WHO ARE YOU?" YOU KNOW. SO I  
12 WOULD BE IN FAVOR OF WHEREVER APPROPRIATE --

13 ATTORNEY CONHEIM: AND WE WILL SO NOTE IT AND  
14 TALK ABOUT IT AGAIN AT THE PUBLIC HEARING WHEN WE ARE  
15 ACTUALLY ON THE OAL RECORD BECAUSE WE'VE GOT TO JUSTIFY  
16 DOING THAT STUFF.

17 MS. TRGOVCICH: WHAT WE CAN ADD AND WHAT WE'LL  
18 TAKE UNDER CONSIDERATION IS ADDING SOME SORT OF SECTION  
19 TALKING ABOUT -- AND THIS MAY NOT BE THE RIGHT WORD --  
20 SUSPENSION OF THE PERMIT UNTIL SUCH A TIME THAT THE PLANS  
21 ARE APPROVED. AND SO WE'LL TAKE THAT UNDER  
22 CONSIDERATION. THAT'S A VERY GOOD SUGGESTION.

23 VICE CHAIRMAN MOSCONE: WHERE ARE YOU NOW,  
24 CAREN?

25 MS. TRGOVCICH: RIGHT NOW I'M STARTING



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1 MAINTENANCE OF THE CLOSURE AND POSTCLOSURE MAINTENANCE  
2 PLANS, AND THAT'S ON PAGE 9 OF YOUR PACKET.

3 THIS SECTION IS INCLUDED IN ORDER TO NOTIFY  
4 AN OPERATOR WHERE HE MUST MAINTAIN THE CLOSURE AND  
5 POSTCLOSURE MAINTENANCE PLANS FOR EASY ACCESSIBILITY.

6 THE REASON FOR THIS IS THAT WE FEEL THAT  
7 THESE PLANS SHOULD BE AN ITEM THAT IS USED BY THE  
8 OPERATOR MORE OR LESS ON A DAY-TO-DAY BASIS. THAT IF  
9 THERE IS A PROPOSAL TO MOVE INTO A NEW AREA, BEGIN  
10 OPERATIONS IN A NEW AREA, OR A PROPOSAL TO DEVIATE FROM  
11 THE EXISTING PLANS, THAT THEY MUST ALSO CONSULT THEIR  
12 CLOSURE AND POSTCLOSURE MAINTENANCE PLANS WHICH THEY HAVE  
13 HAD APPROVED SO THAT THEY CAN MAKE CORRESPONDING CHANGES  
14 TO THOSE PLANS AND NOT IMPLEMENT ANY CHANGES WHICH MAY  
15 CONFLICT WITH THOSE PLANS.

16 SO WHAT THIS SECTION DOES IS REQUIRES THAT  
17 THE OPERATORS MAINTAIN THE PLANS AT AN ACCESSIBLE  
18 LOCATION, PREFERABLY AT THE FACILITY ITSELF. IF THERE  
19 ARE NO OFFICES LOCATED AT THE FACILITY TO MAINTAIN THE  
20 PLAN, THEN THE PLAN CAN BE MAINTAINED AT AN ALTERNATE  
21 OFF-SITE LOCATION PROVIDED THAT THE LOCATION IS KNOWN.

22 VICE CHAIRMAN MOSCONE: THAT'S THE WAY I  
23 UNDERSTOOD, BUT I GOT A LITTLE -- I THINK THERE WAS  
24 SOME -- IN ALTERNATIVES CONSIDERED, D, NO. 2, I THINK  
25 THERE'S JUST A COUPLE OF WORDS, "NOT TO REQUIRE THAT THE

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1 PLANS BE MAINTAINED SO AS TO BE ACCESSIBLE." SO I THINK  
2 "AT THE FACILITY" WAS OMITTED.

3 MS. TRGOVCICH: YOU'RE CORRECT. THAT'S CORRECT.  
4 THE REASON WHY THAT ALTERNATIVE WAS INCLUDED, ALTERNATIVE  
5 2, IS BECAUSE MANY INDIVIDUALS HAVE MADE THE SUGGESTION  
6 THAT, WHY DO WE NEED THOSE PLANS TO BE LOCATED RIGHT  
7 HERE? WE'RE NOT GOING TO USE THEM FOR ANOTHER TEN YEARS.  
8 IT'S NOT AN IMPORTANT DOCUMENT. AND WE'RE SAYING THE  
9 CONTRARY HERE.

10 THE NEXT SECTIONS IS -- THE NEXT SECTION IS  
11 THE GENERAL PERFORMANCE STANDARD FOR CLOSURE AND  
12 POSTCLOSURE MAINTENANCE. AND THIS SECTION HASN'T CHANGED  
13 AT ALL THROUGH COMMENTS, BUT I THINK IT'S IMPORTANT JUST  
14 TO SUMMARIZE THAT BRIEFLY RIGHT HERE. AND THIS SECTION  
15 TALKS ABOUT THE BASIC GOALS OF WHAT THE CLOSURE AND  
16 POSTCLOSURE MAINTENANCE PLANS ARE INTENDED TO ACCOMPLISH.  
17 AND I'M GOING TO BRIEFLY STATE THE FOUR POINTS THAT WE'RE  
18 TALKING ABOUT HERE.

19 WE'RE TALKING ABOUT THE PLANS NEED TO  
20 IDENTIFY THE STEPS NECESSARY TO CLOSE THE FACILITY AND  
21 MAINTAIN IT DURING POSTCLOSURE CARE; THE PLAN SHOULD  
22 MINIMIZE THE EXTENT OF CARE NECESSARY; THEY SHOULD  
23 PROVIDE, IF NECESSARY, A THIRD PARTY WITH THE ACTIVITIES  
24 THAT ARE NECESSARY IN ORDER TO CLOSE THE FACILITY; AND  
25 THAT THESE PLANS SHOULD ALSO COMPLY WITH ALL THE



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1 HAVE JUST REALLY X, Y, Z THINGS WITH CRITERIA AND IT SAYS  
2 IT SHOULD DO THIS WITH REAL GOOD STIPULATION AND THIS AND  
3 THIS, AND HE'LL STILL NEVER BE RIGHT THERE.

4 I'LL TELL YOU, WHEN ALL THE ACCENTS THAT I  
5 SEE IS ON THE PROCEDURE OF SUBMITTING AND THE PROCEDURES  
6 YOU FOLLOW TO GET THERE, BUT I DON'T SEE THAT MUCH DETAIL  
7 SUFFICIENT TO PLEASE ME, IF I WERE A LANDFILL OWNER, TO  
8 KNOW THE CRITERIA YOU'RE GOING TO MEET EXACTLY. YOU  
9 KNOW, WHEN YOU'RE DOING SOMETHING IN THE FOG AND YOU'RE  
10 SECOND-GUESSING TWO, THREE, FOUR AGENCIES ON WHAT THEY  
11 CAN ACCEPT, AND YOU KNOW AS WELL AS ANYONE, WE ALL SHOULD  
12 KNOW THAT THESE COSTS OF THESE PEOPLE TO DO THIS STUFF IS  
13 NOT EXACTLY PEANUTS. AND EVERYTHING THEY DO IS IN  
14 HUNDREDS OF G'S, AND IT COULD BE -- THE GUY RUN OUT OF  
15 MONEY BEFORE HE EVEN STARTS HIS WORK. I DON'T KNOW.

16 MR. EOWAN: THAT'S A VERY GOOD QUESTION. AND,  
17 HOPEFULLY, WE -- I THINK YOU ARE ASKING TWO QUESTIONS.  
18 WHAT'S THE -- IS THERE SUFFICIENT TECHNICAL GUIDANCE IN  
19 THE REGULATION TO ENSURE THAT PEOPLE UNDERSTAND  
20 TECHNICALLY WHAT THEY NEED TO DO TO CLOSE A FACILITY?

21 AND, SECONDLY, ARE WE PROVIDING A PROCESS  
22 NOW THAT ALLOWS FOR INPUT ON THAT SUBJECT FROM THE PEOPLE  
23 THAT HAVE TO DO THE WORK?

24 AND WE THINK THAT WE'VE DEFINITELY PROVIDED  
25 THE PROCESS FOR THAT KIND OF INPUT WITH A VARIETY OF

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1 WORKSHOPS THROUGHOUT THE STATE FOR DIFFERENT TYPES OF  
2 AUDIENCES, PUBLIC SECTOR, PRIVATE SECTOR, ETC., ETC., AS  
3 WELL AS THE SETTING THAT WE HAVE HERE DURING BOARD  
4 MEETINGS WHEN WE GO THROUGH THIS LINE BY LINE. ALL THAT  
5 IS FOR THE PURPOSE OF NOT ONLY LETTING YOU KNOW WHAT OUR  
6 THINKING IS AND OUR PROGRESS, BUT ALSO TO HEAR FROM THE  
7 AFFECTED PUBLIC ON HOW WE'RE PROCEEDING AND WHAT CHANGES  
8 OR INPUT THEY WANT TO GIVE.

9 ON THE TECHNICAL LEVEL, OF COURSE, WE  
10 AREN'T THE ONLY AGENCY INVOLVED IN PROVIDING THAT  
11 TECHNICAL GUIDANCE. IN ADDITION, THERE'S THE WATER --  
12 THE WATER BOARD HAS A SAY IN TERMS OF ALL THE WATER  
13 IMPLICATIONS, AND THEN OUR OWN GUIDELINES FOR THE  
14 NONWATER PORTION OF THE CLOSURE, WE THINK IS TECHNICALLY  
15 SUBSTANTIAL.

16 BOARD MEMBER BEAUTROW: WELL, I POINTED OUT  
17 TO -- STARTING ON PAGE 11 IS REALLY THE LAUNDRY LIST OF  
18 THE CONTENTS. SO IT'S TRUE THAT NOBODY'S GONE THROUGH  
19 THIS YET, BUT WE THINK THAT THIS IS ALL OF THE  
20 INGREDIENTS TO MAKE THE PIE.

21 VICE CHAIRMAN MOSCONE: I PERSONALLY HAVE SOME  
22 CONCERN ABOUT THESE COSTS. AND I WAS TALKING TO A COUPLE  
23 OF PEOPLE LAST WEEK WHO HAVE TO SUBMIT SOME OF THESE, AND  
24 THEY'RE KIND OF CONCERNED ABOUT THE COST ESTIMATES FOR  
25 ALL OF THESE. AND AS JUST AS BEEN SAID, WE HAVE OTHER

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1 AGENCIES TO THINK ABOUT TOO, AND SO THERE MAY BE A  
2 VARIETY OF DIFFERENCE AS FAR AS ESTIMATES GO.

3 THE PRELIMINARY MAY NOT BE THAT BIG A  
4 PROBLEM, HOPEFULLY. THE PRELIMINARY COST ESTIMATES MAY  
5 NOT BE THAT BIG A PROBLEM. BUT -- I DON'T KNOW -- I'VE  
6 SEEN ENGINEERS WHO HAVE DIFFERED SO MUCH ON THE COST  
7 ESTIMATES ON OTHER JOBS, AND I'M JUST WONDERING WHAT  
8 WE'RE GOING TO RUN INTO HERE. ASSESS THE REASONABLENESS  
9 OF COST ESTIMATES. WHAT ARE WE TALKING ABOUT REASONABLE?

10 MS. TRGOVCICH: MR. MOSCONE.

11 VICE CHAIRMAN MOSCONE: IF WE HAVE A DIFFERENCE  
12 OF A COUPLE OF MILLION DOLLARS FROM ONE TO ANOTHER IS  
13 REASONABLE?

14 MR. EOWAN: WE SPENT A LOT OF TIME ON THAT  
15 SUBJECT.

16 VICE CHAIRMAN MOSCONE: I THINK SO. I THINK WE  
17 HAVE EVIDENCE OF THAT, BUT I THINK -- I DON'T KNOW WHAT  
18 WE CAN DO, BUT I DON'T THINK THAT WE CAN EXPECT THE  
19 OPERATORS OR THE OWNERS TO SUBMIT DOWN TO THE LAST DOLLAR  
20 THAT -- WHAT IT'S GOING TO COST, AND I THINK THAT'S BEEN  
21 TAKEN INTO CONSIDERATION. DOES EVERYONE WHO'S GOING TO  
22 BE CONCERNED WITH THIS HAVE THE SAME FEELING?

23 MR. EOWAN: I THINK THERE'S A -- YOU KNOW, THIS  
24 IS NEW TERRITORY, SO YOU ARE GOING TO HAVE A VARIETY OF  
-25 OPINION ON IT. AND WHATEVER YOU DO, YOU ARE GOING TO END

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1 UP PROBABLY MAKING SOME MISTAKES, GETTING CRITICIZED, OR  
2 WHATEVER. BUT I THINK -- ON THE WHOLE, I THINK WE'RE  
3 GOING TO HAVE A REASONABLE WAY TO GO THROUGH ALL OF  
4 THOSE, AND THAT'S GOING TO REQUIRE BOTH SOUND -- WHAT  
5 WE'RE TRYING TO DO IS DEVELOP TWO THINGS, SOUND  
6 ENGINEERING ANALYTIC CAPABILITY SO THAT WHEN WE READ THE  
7 PLANS WE KNOW WHAT THEY MEAN AND BE ABLE TO ASSESS THEM  
8 AND THEN FINANCIAL ANALYSIS AS WELL. IF WE CAN PUT THOSE  
9 TWO TOGETHER, THEN WE'VE GOT IT. AND THAT'S WHAT WE'RE  
10 SHOOTING FOR.

11 VICE CHAIRMAN MOSCONE: HAVE ANY OF THESE PEOPLE  
12 WHO HAVE FILED AND HAVE ASKED FOR ADDITIONAL TIME TO FILE  
13 AND ALL, HAVE THEY INDICATED WHAT THEIR REASONS ARE FOR  
14 NOT BEING ABLE TO FILE ON THE REQUIRED DATES?

15 MR. IWAHIRO: PRIMARILY, IT'S NOT THE FACT THAT  
16 THEY WANT MORE TIME TO DEVELOP THE COSTS. I THINK IT'S  
17 PRIMARILY BECAUSE OF THE DEVELOPMENT OF THE MECHANISMS  
18 FOR FUNDING THE TRUST FUND OR WHATEVER IT IS. I DON'T  
19 BELIEVE WE HAVE HEARD TOO MUCH IN TERMS OF MORE TIME JUST  
20 TO DEVELOP THE COSTS.

21 IF I MAY, IN ANSWER TO SOME OF THE  
22 QUESTIONS ABOUT COST AND ABOUT STANDARDS, ANOTHER CHAPTER  
23 WILL DEAL WITH, AS SPECIFIC AS WE CAN, AND LOT OF IT WILL  
24 BE SO-CALLED PERFORMANCE-TYPE STANDARDS FOR CLOSURE, AND  
25 THAT WILL ENTAIL, YOU KNOW, SOME DIFFERENCES OF OPINION

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1 AMONGST ENGINEERS. WHENEVER YOU SAY YOU WANT A  
2 PERFORMANCE OF SUCH-AND-SUCH, THAT MEANS WE DON'T TELL  
3 THEM EXACTLY WHAT WE WANT OR HOW WE WANT THEM TO DO IT.  
4 WE TELL THEM WHAT WE WANT AS A RESULT, AND HOW THEY COME  
5 TO THAT RESULT MAY ENTAIL WAYS AND SO IT MAY ENTAIL  
6 DIFFERENT KINDS OF COSTS.

7 YOU ARE ABSOLUTELY CORRECT IN THAT THERE  
8 WILL BE SOME DIFFERENCES OF OPINION; HOWEVER, I THINK WE  
9 WILL HAVE PERFORMANCE STANDARDS THAT WILL BE AS SPECIFIC  
10 AS POSSIBLE.

11 VICE CHAIRMAN MOSCONE: WELL, WE'LL GET ON. I  
12 HAVE THAT CONCERN, TOO, THAT WHEN EPA FINALLY COMES DOWN  
13 TO ITS FINAL SUBTITLE D, IS THIS GOING TO CHANGE SOME OF  
14 THIS?

15 MR. IWAHIRO: WELL, WE'RE HOPEFUL -- HOPEFULLY  
16 NOT; BUT, YOU KNOW, IT'S GOING TO BE TOWARDS THE END OF  
17 THE YEAR BEFORE THEY REALLY FINALIZE THE SUBTITLE D  
18 CRITERIA.

19 VICE CHAIRMAN MOSCONE: OR MAYBE EVEN NEXT YEAR.

20 MR. IWAHIRO: WELL, YEAH. IT WAS SUPPOSED TO  
21 HAVE BEEN LAST YEAR, BUT WE'RE WATCHING THAT. YOU'RE  
22 RIGHT. THAT IS SOMETHING THAT THE BOARD HAS TO BE AWARE  
23 AND WE NEED TO BE AWARE, THAT THAT IS COMING DOWN THE  
24 ROAD AND THERE MAY BE SOME CHANGES.

25 VICE CHAIRMAN MOSCONE: WELL, I THINK MY



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1 PERSONAL FEELING IS A GOOD JOB HAS BEEN DONE HERE.

2 SO, CAREN, PROCEED IF THERE ARE NO OTHER  
3 QUESTIONS.

4 MS. TRGOVCICH: I THINK THAT THE NEXT SECTION  
5 WE'RE GOING TO DISCUSS WILL, AT LEAST, TELL YOU HOW WE'RE  
6 GOING TO TRY AND TIE IN THOSE COST ESTIMATES TO THE  
7 PLANS.

8 AND AS BILL STATED EARLIER, WE'RE GOING TO  
9 SKIP OVER SECTIONS 18261 AND 18265 SINCE THEY WERE  
10 DISCUSSED AT THE LAST MEETING, AND WE'RE GOING TO MOVE TO  
11 18267, WHICH IS -- LET ME GET THE PAGE IN YOUR PACKET --  
12 IT'S PAGE 18 OF YOUR PACKET. AND THIS IS FORM OF  
13 APPLICATION FOR APPROVAL OF THE PLANS.

14 AND WHAT THIS SECTION DOES IS IT TELLS THE  
15 OPERATOR WHAT HE NEEDS TO SUBMIT AT THE TIME THAT HE'S  
16 REQUIRED TO SUBMIT HIS CLOSURE AND POSTCLOSURE  
17 MAINTENANCE PLANS. WE'RE SAYING WE DON'T JUST WANT TO  
18 SEE THE PLANS. WE WANT TO SEE YOUR PLANS. WE WANT TO  
19 SEE YOUR UPDATED COST ESTIMATES AS WELL. AND WHAT WE  
20 INTEND TO DO HERE IS TO SPECIFICALLY TIE IN THOSE COST  
21 ESTIMATES ITEM BY ITEM TO THE PROPOSALS IN THE OPERATOR'S  
22 CLOSURE AND POSTCLOSURE MAINTENANCE PLANS.

23 THE SPECIFIC ACTIVITIES IN THE PLANS AND  
24 THE COST ESTIMATES WILL BE COMPARED TO TRY AND ASCERTAIN  
25 WHETHER OR NOT THE COSTS ARE ADEQUATE TO COMPLETE THE



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1 ACTIVITY THAT IS PROPOSED IN THE PLAN OR WHETHER OR NOT  
2 THE ACTIVITY REFLECTS THE COST THAT IS STATED IN THE  
3 ESTIMATE.

4 AND WHAT WE'RE GOING TO ATTEMPT TO DO IS  
5 TRY AND RESOLVE THOSE DIFFERENCES. NOW, THERE WILL BE  
6 DIFFERENCES OF OPINION, AND DIFFERENT PROFESSIONALS WILL  
7 COME IN WITH DIFFERENT ESTIMATES; BUT WHAT WE HOPE TO  
8 CATCH ARE THE VERY LARGE DEVIATIONS BETWEEN PROPOSED  
9 COSTS BY ANALYZING THE PLANS WITH THE COST ESTIMATES  
10 RIGHT NEXT TO THEM.

11 VICE CHAIRMAN MOSCONE: MR. BEAUTROW.

12 BOARD MEMBER BEAUTROW: I'VE GOT A QUESTION  
13 HERE. YOU MENTION PROFESSIONALS AND THAT'S CERTAINLY IS  
14 TRUE BECAUSE THEY HAVE TO HIRE PROFESSIONALS TO DO THIS,  
15 AND THERE'S GOING TO BE DIFFERENCES OF OPINION. BUT I  
16 KIND OF HAVE MIXED EMOTIONS ON THIS ABOUT HOW ARE WE --  
17 THERE'S BEEN VERY LITTLE TRACK RECORD, AND I GUESS WHAT  
18 YOU ARE LOOKING FOR: IF THEY SAY SOMETHING IS ONLY GOING  
19 TO COST A MILLION DOLLARS AND YOU ARE GOING TO SAY, "OH  
20 NO, THAT'S WRONG. IT'S GOING TO COST TWO MILLION," OR  
21 SOME ORDER OF MAGNITUDE. AND HOW YOU ARE GOING TO JUDGE  
22 THIS AND ON WHAT BASIS? BECAUSE ON ONE HAND YOU WANT TO  
23 RELY ON THE PROFESSIONALS TO GIVE YOU THAT INFORMATION,  
24 AND SOMEHOW YOU SAY YOU ARE GOING TO DOUBLE-CHECK THAT  
25 AND SEE IF IT'S RIGHT, BUT WHAT I'D LIKE TO KNOW IS ON --

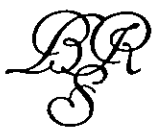
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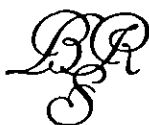
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1 HOW? IT'S GOING TO BE KIND OF SUBJECTIVE IN SOME AREAS,  
2 IS IT NOT?

3 MR. ORR: THERE'S GOING TO BE A CERTAIN AMOUNT  
4 OF SUBJECTIVITY INVOLVED, BUT I THINK WHAT WE'RE HOPING  
5 TO BE ABLE TO GET ACROSS IN OUR REQUIREMENTS FOR THE  
6 PLANS AND FOR THE ACTUAL STANDARDS IS THAT THE  
7 DOCUMENTATION, THE DESCRIPTION ON HOW THE NUMBERS ARE  
8 COME UP WITH IS WHAT'S GOING TO BE THE CONTENTS OF THE  
9 PLAN.

10 AND WHAT WE'RE LOOKING FOR IS TO BE ABLE TO  
11 LOOK AT THE PROCESS, THE THOUGHT PROCESS THAT THE  
12 ENGINEER WENT THROUGH, THE SEQUENCE OF THINGS THAT THEY  
13 EVALUATED FOR THAT SPECIFIC SITE TO COME UP WITH THOSE  
14 COSTS. AND GENERALLY THAT WILL BE APPARENT. IT'S THE  
15 CASES WHERE THEY DON'T PROVIDE THE DETAIL ON HOW THEY GOT  
16 FROM POINT A TO POINT B WHERE YOU SAY, "WELL, WHAT  
17 HAPPENED IN BETWEEN HERE AND THERE?"

18 SO I THINK IN REVIEWING THE REPORTS OF  
19 DISPOSAL SITE INFORMATION THAT WE CURRENTLY RECEIVE AND  
20 FROM THE CLOSURE PLANS THAT HAVE BEEN ALREADY DEVELOPED  
21 TO MEET WATER BOARD REQUIREMENTS, YOU CAN -- SOMETIMES  
22 YOU CAN CLEARLY FOLLOW HOW THE ENGINEER OR THE  
23 ENGINEERING GEOLOGIST DEVELOPED THEIR COSTS, AND YOU FEEL  
24 VERY COMFORTABLE WITH THOSE. IT'S MORE WHEN YOU HAVE NO  
25 IDEA, YOU CAN'T EXPLAIN HOW THEY CAME UP WITH CERTAIN



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1 COSTS THAT THAT LEVEL OF COMFORT GOES DOWN.

2 BOARD MEMBER BEAUTROW: MAYBE YOU BETTER ASK  
3 FOR -- AND I DON'T RECALL THAT YOU DO -- BUT MAYBE YOU  
4 BETTER ASK FOR SUPPORTING CALCULATIONS IN SOME INSTANCES.  
5 YOU KNOW, A GUY COULD SAY, LIKE THERE'S A CONCRETE  
6 CHANNEL OR SOMETHING, AND THEY SAY THERE'S 10,000 FEET OF  
7 THIS AT \$2 A FOOT, AND THEN YOU WOULD SAY, "GEE, THAT  
8 DOESN'T RING A -- I GUESS I'M TRYING TO OVERSIMPLIFY IT,  
9 BUT YOU'D NEED SOMETHING -- ARE YOU SAYING THAT -- TO SAY  
10 HOW DID HE GET \$2 PER LINEAL FOOT?

11 MR. ORR: FOR EXAMPLE, A GOOD EXAMPLE IS  
12 SOMETHING LIKE A FINAL COVER. IF ONE GUY SAYS IT'S GOING  
13 TO COST ME, SAY, A MILLION DOLLARS PER ACRE TO DO A FINAL  
14 COVER, AND SOMEBODY ELSE SAYS IT'S GOING TO COST ME A  
15 \$100,000 PER ACRE, FIRST THING WE'RE GOING TO LOOK AT IS  
16 IS THERE A REASON WHY, BASED ON THE AVAILABILITY OF THE  
17 MATERIALS OR SOME OTHER THING THAT THE ENGINEER DID, THAT  
18 WOULD EXPLAIN THE DISCREPANCY? YOU MAY FIND THAT THE ONE  
19 GUY IS HAULING CLAY 200 MILES, AND IN THE OTHER CASE  
20 THEY'VE GOT SUFFICIENT CLAY ON SITE. SO THAT'S THE KIND  
21 OF THING THAT WE'LL BE LOOKING AT.

22 BOARD MEMBER BEAUTROW: ARE YOU ASKING HIM TO  
23 PROVIDE THAT INFORMATION? THAT'S MY QUESTION REALLY, THE  
24 BASIC QUESTION. YOU ARE GOING TO SOMEHOW GIVE THEM  
25 INSTRUCTIONS THAT THEY'RE GOING TO EXPLAIN BECAUSE YOU

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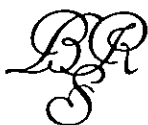
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1 ARE GOING TO GET JUST EXACTLY WHAT SAID.

2 MR. ORR: RIGHT. I BELIEVE THAT WE ARE ASKING  
3 FOR THAT KIND OF DETAIL. FOR EXAMPLE, EVEN IN THE  
4 INITIAL COST ESTIMATES, WE ASK FOR SOME BASIC ITEMIZED  
5 KIND OF DETAIL IN TERMS OF HOW THEY ARRIVED AT CERTAIN  
6 COSTS, AND THAT WILL HAVE TO BE AMPLIFIED IN THE ACTUAL  
7 CLOSURE PLANS.

8 MS. TRGOVCICH: ONE OTHER ITEM THAT'S REQUIRED  
9 TO BE SUBMITTED IN ADDITION TO THE PLANS, THE  
10 CLOSURE/POSTCLOSURE MAINTENANCE PLANS AND AN UPDATED COST  
11 ESTIMATE, IS A SUMMARY -- A RECENT SUMMARY OF THE  
12 FINANCIAL MECHANISM THAT THE OPERATOR HAS EMPLOYED TO  
13 MEET THE REQUIREMENTS OF AB 2448, AND THAT IS TO SET  
14 ASIDE FUNDS FOR CLOSURE AND POSTCLOSURE MAINTENANCE. SO  
15 ALL THESE ITEMS WILL COME IN AT THE TIME OF APPLICATION.

16 THE NEXT SECTION TELLS ABOUT WHO GETS THE  
17 COPIES, WHO IS TO EVALUATE WHAT, AND THAT IS SECTION  
18 18268, FILING OF APPLICATION AND TRANSMITTAL OF COPIES.  
19 WHAT THIS SECTION DOES IS TRY TO SET UP A PROCEDURE FOR  
20 FILING OF THAT APPLICATION. AND WHAT WE TRIED TO DO HERE  
21 WAS AVOID DUPLICATION WITH ANY OF THE PERMIT PROCESS  
22 REQUIREMENTS AND TO COORDINATE THESE FILINGS WITH THE  
23 LOCAL ENFORCEMENT AGENCY AND WITH THE REGIONAL WATER  
24 QUALITY CONTROL BOARDS, WHICH ALSO MUST REVIEW THE PLANS  
25 AND ESTIMATES.



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1 18268 STATES THAT THE LOCAL ENFORCEMENT  
2 AGENCY, THE BOARD, AND THE REGIONAL WATER QUALITY CONTROL  
3 BOARD WILL GET COPIES OF THE ITEMS WHICH WERE IN THE  
4 PREVIOUS SECTION, WITH ONE EXCEPTION, THE REGIONAL WATER  
5 QUALITY CONTROL BOARDS WILL NOT GET A COPY OF A SUMMARY  
6 OF THE FINANCIAL MECHANISM BECAUSE THEY ARE NOT REQUIRED  
7 BY LAW TO REVIEW, NOR DO THEY HAVE THE AUTHORITY UNDER AB  
8 2448 APPROVE OF THOSE MECHANISM. SO THE REGIONAL BOARDS  
9 WILL BE GETTING ONE COPY OF THE COST ESTIMATES AND A COPY  
10 OF THE CLOSURE AND POSTCLOSURE MAINTENANCE PLANS TO  
11 REVIEW AND APPROVE. THE LEA'S AND THE BOARD WILL BE  
12 GETTING ONE COPY OF THE PLANS, THE COST ESTIMATES, AND  
13 THE SUMMARY OF FINANCIAL MECHANISMS.

14 THE BOTTOM OF THIS SECTION IS NEW. AND  
15 THIS IS UNDER 18268 (B) -- 18268 (C), AND I'D JUST LIKE  
16 TO READ IT SINCE IT'S ONCE SENTENCE HERE: A LOCAL  
17 ENFORCEMENT AGENCY SHALL BEGIN CALCULATION OF COSTS  
18 INCURRED ONCE ALL ITEMS IDENTIFIED UNDER SECTION 18267  
19 HAVE BEEN SUBMITTED BY THE APPLICANT.

20 AS YOU'LL REMEMBER, AB 3071 PROVIDED LOCAL  
21 ENFORCEMENT AGENCIES WITH FULL COST RECOVERY FOR THEIR  
22 REVIEW AND APPROVAL OF THESE PLANS. STAFF FEELS, AND WE  
23 ARE PUTTING THIS OUT FOR COMMENT FROM THE LOCAL  
24 ENFORCEMENT AGENCIES, THAT IT'S NECESSARY TO DESIGNATE A  
25 STARTING POINT AT WHICH THEY CAN BEGIN CALCULATING THEIR

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1 COSTS.

2 BECAUSE THE RECOMMENDATION OF THE ADVISORY  
3 COMMITTEE IS TO HAVE A 60-DAY COMPLETENESS REVIEW PERIOD,  
4 WE FELT IT WOULD HAVE BEEN INAPPROPRIATE FOR A LOCAL  
5 ENFORCEMENT AGENCY TO HAVE THIS APPLICATION FOR 60 DAYS,  
6 DEEM THAT ONE OF THE COMPONENTS ARE MISSING, LET'S SAY  
7 THE FINANCIAL MECHANISM SUMMARY IS MISSING, AND TO CHARGE  
8 THE OPERATOR FOR THE PAST 60 DAYS OF REVIEW TIME FOR  
9 WHICH THE OPERATOR IS NOT GAINING MUCH.

10 SO WHAT WE'RE SAYING HERE IS THAT THE LOCAL  
11 ENFORCEMENT WILL MAKE A DETERMINATION -- IT CAN BE WITHIN  
12 5 DAYS, IT CAN BE WITHIN 25 DAYS OR 60 DAYS. IT'S UP TO  
13 THEM, BUT THEY HAVE TO MAKE A DETERMINATION THAT THE  
14 APPLICATION IS COMPLETE AND THEN THEY CAN BEGIN  
15 CALCULATING THE COST FOR THEIR REVIEW OF THAT  
16 APPLICATION.

17 VICE CHAIRMAN MOSCONE: MR. ARAKALIAN.

18 BOARD MEMBER ARAKALIAN: ON THESE TIMES THAT YOU  
19 ARE ALLOTING, WHEN YOU SAY THEM AND, LIKE, WHEN I HEAR  
20 THEM, I DON'T RELATE WELL ALL THE TIME BECAUSE TIME IS A  
21 REAL FUNNY LITTLE THING. SOMETIMES A MINUTE AND AN HOUR  
22 HAVE NO SIMILARITY. AND ARE WE SURE WE'RE GIVING ENOUGH  
23 TIME ON ALL THESE STAGES? BECAUSE, YOU KNOW, 30 DAYS AND  
24 60 DAYS AND 90 DAYS IN SOME SENSE SEEM LIKE A LOT OF  
25 TIME. BUT WHEN YOU'RE TAKING ON BIG PROJECTS AND YOU

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1 HAVE TO DO A LOT OF CALLING AND CONSULTING AND INQUIRY  
2 BETWEEN THEM -- BETWEEN THEM AND YOU -- BETWEEN THEM AND  
3 YOU; AND THEN AFTER THEY GET ANSWERS FROM YOU, THEM AND  
4 PERSONS WHO THEY ARE GOING TO CONTRACT TO DO IT, YOU'D BE  
5 SURPRISED HOW BETWEEN PHONE CALLS A WEEK CAN PASS.

6 YOU KNOW, MONDAY TO FRIDAY, AND BAM IT'S A  
7 WEEK. AND THEN YOU CALL THIS GUY AND YOU GET A LETTER  
8 BACK, YOU GET A CALL BACK, AND YOU MIGHT BLOW A LOT MORE  
9 TIME ON SOME OF THINGS. I'M ONLY TRYING TO TELL YOU THIS  
10 BECAUSE I WANT YOU TO BE -- WHAT YOU'RE DOING SO SUPER  
11 IMPORTANT AND IT'S GOING TO HAVE SUCH TREMENDOUS IMPACT,  
12 THAT WHEN YOU DO THESE, DON'T BE UNREALISTIC AND SAY TO  
13 YOURSELF, "WELL, SEE. IT'LL TAKE A MONTH BECAUSE IT  
14 TAKES TWO DAYS TO MAKE A PHONE CALL, A DAY TO CALL THE  
15 GUY, IT WILL COME BACK IN THE MAIL IN TWO DAYS, HE LOOKS  
16 AT IT AND CALLS ANOTHER GUY AND GETS IT DONE, AND, BAM,  
17 THAT'S FOUR WEEKS. IF WE GIVE THEM SIX, IT'S PLENTY.

18 SOMETIMES IT DOESN'T WORK THAT SMOOTHLY.  
19 THINK SOMETIMES IN TERMS OF WHEN YOU PERSONALLY HAVE DONE  
20 MINOR CHORES AND FOUND OUT HOW MUCH LONGER IT TAKES THAN  
21 YOU THINK JUST BECAUSE OF THINGS ALL DON'T GO SMOOTH AS  
22 SILK. NOTBODY SITS AND WAITS FOR YOU. THESE PEOPLE YOU  
23 CALL, YOU'RE NOT THEIR ONLY CLIENT IF YOU'RE CALLING A  
24 CONSULTING OUTFIT OR ENGINEERING OUTFIT. WHEN YOU START  
25 GETTING ALL THESE DELAYS, EITHER GIVE YOUR TIME



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1 SUFFICIENTLY AND/OR LOOPHOLES WHERE THE GUY SHOWS YOU  
2 THAT HE DID THIS, THIS, THIS UP TO SUCH-AND-SUCH A TIME.  
3 IT'S NOT WRITTEN IN STONE THAT HE'S LATE.

4 YOU LOOK AT IT AND SEE THAT HE HAS MADE  
5 PROPER ENDEAVOR, USED THE TIME WISELY, BUT WASN'T  
6 SUFFICIENT, YOU CAN EXTEND HIM. YOU KNOW, NOT TO TIE  
7 PEOPLE WHERE THEY IMMEDIATELY GET PENALIZED FOR THINGS  
8 THAT ARE NOT IN THEIR, YOU KNOW, POWER, YOU KNOW, EVEN  
9 THOUGH THEY'RE DILIGENTLY DOING IT.

10 JUST KEEP THOSE THINGS IN MINDS. I DON'T  
11 KNOW. I CAN'T TELL YOU THIS PARTICULAR 60 OR 90 DAYS IS  
12 GOOD OR BAD. I HAVEN'T LOOKED INTO IT LONG ENOUGH. I  
13 HAVEN'T GIVEN IT ENOUGH THOUGHT, SO YOU GUYS DO THAT.  
14 THANK YOU.

15 MR. ORR: IF I MIGHT JUST AT THIS POINT INDICATE  
16 THAT THE 60 AND THE 90 DAYS THAT WE'RE TALKING ABOUT HERE  
17 ARE LARGELY TIME FRAMES THAT WE'RE IMPOSING ON OURSELVES  
18 AS LOCAL ENFORCEMENT AGENCIES AND THE BOARD.

19 BOARD MEMBER ARAKALIAN: GIVE YOURSELF THE SAME  
20 LEEWAY.

21 MR. ORR: WHAT WE'RE TRYING TO DO IS BALANCE THE  
22 AMOUNT OF TIME -- ONE OF THE PREVIOUS SECTIONS THAT WE  
23 DISCUSSED SAYS THAT THE OPERATOR ONLY HAS ONE YEAR TO GET  
24 THESE PLANS REVIEWED AND APPROVED. SO WE'VE GOT OUR  
25 BACKS ON THAT WALL, AND ON THE OTHER HAND, WE'RE GOING TO

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1 BE RECEIVING APPROXIMATELY 400 PLANS TOTAL THROUGH TIME,  
2 AND SO WE'RE GOING TO HAVE A LOT OF PLANS THAT ARE ALL  
3 COMING IN WITHIN A NARROW TIME FRAME.

4 BOARD MEMBER ARAKALIAN: WELL, I WASN'T SPEAKING  
5 ON THIS SPECIFIC THING THAT I JUST SAW 60 DAYS ON. THAT  
6 JUST TRIGGERED SOMETHING THAT I WAS THINKING ABOUT JUST  
7 IN GENERAL FROM BEGINNING TO END. AND WHETHER THE TIME  
8 BE, AS YOU SAY IN THIS CASE, YOU WERE TALKING ABOUT IS  
9 YOUR TIME PARAMETERS, BUT JUST AS CAREFUL WITH YOURS.

10 BECAUSE IN MANY CASES WHEN WE PUT TIME  
11 LIMITS ON US OR AGENCIES DO TO THEMSELVES, WHAT THEY DO  
12 IS -- I DON'T KNOW HOW THIS IS GOING TO WORK. OF COURSE,  
13 IT COULD WORK THAT WAY, BUT SIMILAR-TYPE THINGS, YOU GIVE  
14 YOURSELF 30 DAYS TO APPROVE SOMETHING OR 60 DAY. WHEN  
15 YOU DON'T ACT IN THAT TIME, IT AUTOMATICALLY GOES THIS  
16 WAY OR THAT. THOSE ARE THE KIND OF THINGS THAT IF THERE  
17 ARE ANY AREAS WHERE THAT HAPPENS, JUST REMEMBER -- I'M  
18 NOT BEING SPECIFIC ON ANYTHING -- IN GENERAL, GIVE  
19 YOURSELVES, ALL OTHER AGENCIES, YOUR AGENCY, THE PEOPLE  
20 DOING IT, GIVE A LOT OF THOUGHT TO THE TIME. DON'T THINK  
21 OF IT AS JUST WE'LL PICK A NUMBER AND IT LOOKS CLOSE  
22 ENOUGH BECAUSE THAT CAN COME ALONG TO HAUNT BOTH SIDES.  
23 TIME IS A FUNNY, FUNNY THING.

24 MS. TRGOVCICH: THAT'S A REAL IMPORTANT POINT.  
25 AS WE GO THROUGH THE NEXT TWO SECTIONS, I'D LIKE YOU TO



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1 THINK ABOUT THE TIME FRAMES THAT ARE SPECIFIED HERE  
2 BECAUSE THESE ARE THE TIME FRAMES THAT WILL BE INCLUDED  
3 IN THE RECOMMENDATIONS OF THE ADVISORY COMMITTEE, WHICH  
4 WILL BE PRESENTED TO YOU LATER ON IN THIS BOARD MEETING.

5 ONE THING TO KEEP IN MIND, AS YOU'RE  
6 LISTENING TO THE TIME FRAMES THAT WE'VE ESTABLISHED, THE  
7 30 DAYS, 60 DAYS, 120, 180, IS THAT BY LAW WE'RE REQUIRED  
8 TO APPROVE OR DENY THESE PLANS WITHIN A TOTAL SPAN OF 180  
9 DAYS.

10 SO WITHIN 180 DAYS, WE NEED TO MAKE SURE  
11 THAT THE LOCAL ENFORCEMENT AGENCIES HAVE DONE THEIR  
12 REVIEW AND MADE THEIR RECOMMENDATIONS AND GIVEN AN  
13 APPROVAL OR DENIAL; THAT THE REGIONAL WATER QUALITY  
14 CONTROL BOARDS HAVE REVIEWED THE PLANS AND HAVE APPROVED  
15 THEM OR DENIED THEM THROUGH THEIR BOARD, IF THAT'S THE  
16 PROCEDURE IN THAT REGION; AND THAT THOSE RECOMMENDATIONS  
17 THEN COME TO THIS BOARD, AND THIS BOARD TAKES, THEN, THE  
18 FINAL RECOMMENDATIONS OF THE REGIONAL BOARD AND THE LOCAL  
19 ENFORCEMENT AGENCIES; AND IF BOTH OF THOSE ENTITIES  
20 APPROVED, THEN THIS BOARD HAS TO CONSIDER THE PLAN AND  
21 APPROVE OR DENY THE PLAN.

22 SO WE'RE TRYING TO WORK ALL OF THOSE  
23 ACTIVITIES INTO THIS 180 DAYS, WHICH IS THE MAXIMUM TIME  
24 FRAME THAT WE HAVE TO WORK WITH BY LAW.

25 VICE CHAIRMAN MOSCONE: CAREN, I KNOW THAT YOU



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1 PEOPLE HAVE BEEN WORKING ON THIS. YOU PROBABLY HAVE ALL  
2 OF THESE NUMBERS ON THE TIPS OF YOUR FINGERS AND ALL.  
3 WHEN WE GET THIS, YOU KNOW, WE'RE THINKING ABOUT  
4 PRELIMINARY PLANS AND THEN APPROVAL OR REJECTION OF THE  
5 PLANS, AND THEN YOU GET FINALLY DOWN TO THE FINAL PLANS  
6 AND EVERYTHING AND GOING BACK TO AGENCIES AND ALL OF  
7 THAT. SO IT DOES GET -- WELL, THIS SAYS THIS AND THEN  
8 I'VE GOT TO GO BACK TO SEE WHAT DOES IT SAY UP HERE AND  
9 ALL OF THAT. AND I FEEL THE SAME AS SAM, THAT YOU FEEL  
10 THAT, YOU KNOW, PEOPLE ARE GOING TO HAVE AN ADEQUATE  
11 AMOUNT OF TIME TO REALLY DO ALL OF THESE THINGS.

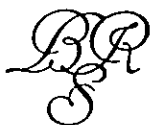
12 MS. TRGOVCICH: WHY DON'T WE MOVE ON TO THE NEXT  
13 SECTIONS, AND WE'LL TRY TO TALK ABOUT WHETHER OR NOT  
14 THOSE TIME FRAMES ARE ADEQUATE AND THE REASONS WHY WE  
15 ARRIVED AT THOSE TIME FRAMES.

16 (MR. VARNER ARRIVED 9:55.)

17 MS. TRGOVCICH: THE NEXT SECTION IS THE  
18 EVALUATION OF THE CLOSURE AND POSTCLOSURE MAINTENANCE  
19 PLANS. THAT'S ON PAGE 21 OF YOUR PACKET.

20 THIS IS A SECTION WHICH GENERALLY STATES  
21 WHAT THE BOARD SHOULD BE LOOKING AT, WHAT THE LOCAL  
22 ENFORCEMENT AGENCY SHOULD BE LOOKING FOR, AND WHAT THE  
23 REGIONAL WATER QUALITY CONTROL BOARD SHOULD BE LOOKING  
24 FOR WHEN THEY EVALUATE THESE PLANS.

25 THE BOARD SHOULD BE MAKING SURE THAT THE



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1 PLANS CONFORM TO ANY REGULATIONS WHICH THE BOARD HAS  
2 ADOPTED IN TERMS OF CLOSURE AND POSTCLOSURE MAINTENANCE.

3 AND, IN ADDITION, BECAUSE WE'RE HEADING IN  
4 THE DIRECTION OF DEVELOPING STANDARDS WHICH ARE  
5 PERFORMANCE STANDARDS RATHER THAN PRESCRIPTIVE STANDARDS,  
6 THE BOARD SHOULD BE ENSURING THAT THE PROPOSALS IN THE  
7 PLANS MEET THE PERFORMANCE STANDARDS AND THAT THERE'S  
8 DOCUMENTATION TO SHOW THAT THE PERFORMANCE STANDARDS ARE  
9 BEING MET.

10 THE LOCAL ENFORCEMENT AGENCIES, IN ADDITION  
11 TO THEIR REVIEW REQUIREMENTS AS FAR AS THE REGULATIONS  
12 ARE CONCERNED, MUST ALSO MAKE SURE THAT THE PLANS CONFORM  
13 WITH ANY LOCAL CONDITIONS, LOCAL ORDINANCES, ZONING  
14 REQUIREMENTS, OR OTHER REQUIREMENTS WHICH MAY BE SPECIFIC  
15 TO THAT CITY OR COUNTY.

16 THE REGIONAL WATER QUALITY CONTROL BOARDS  
17 MUST EVALUATE THE PLANS IN TERMS OF THE IMPACTS TO WATER  
18 QUALITY, INCLUDING THOSE ELEMENTS IN THE PLANS, AS WELL  
19 AS THE COST ESTIMATES FOR THOSE ACTIVITIES RELATED TO  
20 WATER QUALITY.

21 THE NEXT SECTION -- AND YOU WILL HAVE TO  
22 BEAR WITH US AS WE SUMMARIZE THIS -- IS WHERE WE START  
23 GETTING INTO ALL THE NUMBERS, AND THIS IS THE APPROVAL OF  
24 CLOSURE AND POSTCLOSURE MAINTENANCE PLANS, WHICH IS  
25 SECTION 18271.



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1 BOARD MEMBER ARAKALIAN: WHAT PAGES ARE THOSE?

2 MS. TRGOVCICH: PAGE 23 OF YOUR PACKET IS WHERE  
3 THE ACTUAL REGULATORY LANGUAGE BEGINS. THIS IS BROKEN UP  
4 INTO TWO MAJOR SECTIONS, THE PRELIMINARY PLANS AND THE  
5 FINAL PLANS.

6 UNDER PRELIMINARY PLANS, THERE ARE THREE  
7 DIFFERENT TIME OR DAYS THAT WE'RE LOOKING AT. WE'RE  
8 LOOKING AT AN INITIAL REVIEW, A COMPLETENESS REVIEW PLUS  
9 WRITTEN COMMENTS AS AN INITIAL SET OF WRITTEN COMMENTS TO  
10 BE COMPLETED BY ALL THE AGENCIES WITHIN 60 DAYS SO THAT  
11 WE CAN THEN BEGIN DISCUSSIONS AMONGST OURSELVES AND  
12 DISCUSSIONS WITH THE OPERATOR IF THERE'S ANY AREAS IN  
13 WHICH WE FEEL WE NEED MORE INFORMATION CLARIFICATION, OR  
14 WE FEEL THAT THEIR PROPOSAL JUST WON'T WORK. SO RATHER  
15 THAN REJECTING IT OUTRIGHT, WE CAN NOTIFY THEM UP FRONT  
16 THAT THEY'RE GOING TO NEED TO DO MORE WORK.

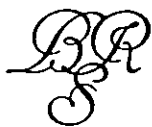
17 THE NEXT TIME FRAME THAT WE'RE LOOKING AT  
18 UNDER PRELIMINARY PLANS IS A 120-DAY TIME FRAME, AND  
19 THAT'S THE DEADLINE FOR LOCAL ENFORCEMENT AGENCIES AND  
20 THE REGIONAL BOARDS TO PROVIDE THIS BOARD WITH THEIR  
21 WRITTEN RECOMMENDATION OR WRITTEN APPROVAL OR DENIAL OF  
22 THE PLANS. SO WITHIN 120 DAYS, THE REGIONAL BOARDS AND  
23 THE LOCAL ENFORCEMENT AGENCIES MUST PROVIDE TO US THEIR  
24 APPROVAL OR DENIAL.

25 THE NEXT TIME FRAME IS 180 DAYS. WITHIN

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1 180 DAYS, THIS BOARD MUST EITHER APPROVE OR DENY THE  
2 PLAN. THE REASON FOR THE GAP BETWEEN THE TIME IN WHICH  
3 THE REGIONAL BOARDS AND THE LEA'S MUST SUBMIT THEIR  
4 APPROVAL OR DENIAL AND THE TIME IN WHICH THIS BOARD MUST  
5 SUBMIT ITS APPROVAL OR DENIAL IS BECAUSE OF THE ROLE OF  
6 THIS BOARD. THIS BOARD MUST THEN TAKE THE -- IF BOTH  
7 AGENCIES RECOMMEND APPROVAL, THIS BOARD THEN MUST  
8 CONSIDER THOSE APPROVALS, CONSIDER THE PLANS, AND  
9 CONSIDER THE RECOMMENDATIONS OF THE BOARD STAFF, AND MAKE  
10 A DETERMINATION OF APPROVAL OR DENIAL OF THE PLANS.

11 AND SO THAT EXTRA 60 DAYS IS TO ACCOUNT FOR  
12 THE EVALUATION OF THE APPROVALS OR DENIALS AND THE  
13 ESTABLISHMENT OF A BOARD HEARING AND BEING ABLE TO COME  
14 TO A BOARD MEETING, GET AN AGENDA ITEM TO YOU, AND  
15 EVALUATE THAT AGENDA ITEM AND MAKE A RECOMMENDATION.

16 BOARD MEMBER VARNER: MR. CHAIRMAN.

17 VICE CHAIRMAN MOSCONE: MR. VARNER.

18 BOARD MEMBER VARNER: JUST FOR CLARIFICATION, IS  
19 THIS 120 DAYS AND THEN 180 DAYS, OR IS 180 DAYS TOTAL?

20 MS. TRGOVCICH: 180 DAYS TOTAL. AND WITHIN THAT  
21 FALL THE 60 AND 180 DAYS. MY BOSS, BILL, KEEPS TELLING  
22 ME TO PREPARE A TIMELINE, AND THAT'S ONE THING THAT I  
23 HAVEN'T DONE. BUT WHAT WE'LL -- WHAT THERE IS JUST ONE  
24 LINE AND DAY ZERO BEGINS HERE, DAY 60, 120, AND 180.

25 BOARD MEMBER VARNER: IF THE OTHER PEOPLE

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1 INVOLVED, LOCAL ENFORCEMENT AGENCY TAKE 120DAYS, THEN WE  
2 ONLY HAVE 60 DAYS TO DO OUR PART OF IT?

3 MS. TRGOVCICH: WE WILL HAVE BEEN REVIEWING  
4 THOSE PLANS ALL ALONG AS WELL. WE WILL BE GETTING THOSE  
5 PLANS AT THE SAME TIME AS THEY DO. WE WILL BE EVALUATING  
6 THE PLANS, MEETING WITH THE OTHER AGENCIES, MEETING WITH  
7 THE OPERATOR AS THEY DO.

8 AND THE REASON FOR THE DIFFERENCE IN TIME  
9 FRAME, THE 120 TO THE 180, IS SO THAT WE CAN THEN COME TO  
10 YOU WITH AN AGENDA ITEM, WE CAN SET A BOARD MEETING, AND  
11 EVALUATE THOSE PLANS, AND APPROVE OR DENY THOSE PLANS.  
12 ONCE AGAIN, IF ANOTHER AGENCY DENIES THOSE PLANS,  
13 FORMALLY DENIES THE PLANS, THEN WE GO BACK TO SQUARE ONE.

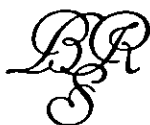
14 BOARD MEMBER VARNER: THANK YOU, CAREN.

15 MR. ORR: I MIGHT ALSO INTERJECT HERE THAT WE  
16 ALSO HAVE THERE THAT YOU HAVE THE ADDED RESPONSIBILITY OF  
17 APPROVING THE FINANCIAL MECHANISM, WHICH IS SOMETHING  
18 THAT THE REGIONAL BOARD DOES NOT HAVE THAT RESPONSIBILITY  
19 OF. AND SO, IN PART, THAT ADDITIONAL 60 DAYS IS FOR THE  
20 FINANCIAL ANALYSIS PORTION OF THE SUBMITTAL ALONG WITH  
21 THE CLOSURE PLANS.

22 BOARD MEMBER BEAUTROW: EXCUSE ME, ONE QUESTION.

23 VICE CHAIRMAN MOSCONE: PHIL.

24 BOARD MEMBER BEAUTROW: YOU KNOW, IN THE  
25 FACILITY PERMIT PROCESS, WE HAVE TO REVIEW -- WE HAVE TO



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1 CONCUR IN IT; AND IF WE DON'T DO IT IN THAT CERTAIN TIME,  
2 IT IS DEEMED TO BE APPROVED, RIGHT, ACCEPTED? AND WE'VE,  
3 THROUGH NO FAULT OF OURS, HAVE BEEN PUT AGAINST THIS  
4 TIMELINE. AND I WOULDN'T LIKE TO SEE THE SAME THING  
5 HAPPEN HERE. IN OTHER WORDS, WE APPROVE OR DENY THE  
6 THING; AND IF SOMETHING HAPPENS IN THIS PROCESS AND IT  
7 DOESN'T GET TO US, THEN WE'RE FACED WITH DENYING THE  
8 THING BECAUSE OF THE -- I MEAN, WE WOULDN'T WANT TO HAVE  
9 THAT PROCESS REPEATED, I DON'T THINK.

10 MR. ORR: THE STATUTE THAT LOCKS US INTO THAT  
11 40-DAY CLOCK FOR THE PERMIT CONCURRENCE IS VERY DIFFERENT  
12 THAN WHAT WE HAVE HERE. FIRST OF ALL, WE HAVE A FULL  
13 APPROVAL BY THE BOARD, NOT JUST A CONCURRING IN THE LOCAL  
14 DECISION.

15 BOARD MEMBER BEAUTROW: IT'S A DIFFERENT ANIMAL?

16 MR. ORR: IT'S A DIFFERENT ANIMAL, AND WE ARE  
17 VERY CONCERNED ABOUT THAT. AND WHAT WE'VE DONE SO FAR IS  
18 FOR THE 120 DAYS, WE'RE ALLOWING FOR DEFAULT APPROVAL BY  
19 A REGIONAL BOARD OR BY THE LOCAL ENFORCEMENT AGENCY. IF  
20 THEY DON'T APPROVE OR DENY, IT WILL COME FORWARD TO US.  
21 WHAT WE'RE SAYING IS, TO ENSURE THE PROTECTION OF PUBLIC  
22 HEALTH AND SAFETY AND THE ENVIRONMENT, WE'RE NOT GOING TO  
23 HAVE A DEFAULT FINAL APPROVAL OF THE PLAN BY THIS BOARD.

24 SO HOW WE'VE STRUCTURED --

25 BOARD MEMBER BEAUTROW: SOME QUIRK. THE



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1 REGIONAL BOARD ACTS ON IT AND DOESN'T STOP THE TIMELINE  
2 AND IT STILL HAS TO COME THROUGH HERE AND WE APPROVE IT.  
3 WHAT IF THEY COME BACK AND SAY, "OH, AH, AH, AH?" IS IT  
4 TOO LATE REALLY?

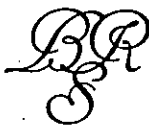
5 MR. ORR: IT'S TOO LATE.

6 MS. TRGOVCICH: THE MAIN DIFFERENCE -- WHAT WE  
7 JUST TALKED ABOUT WERE THE PRELIMINARY PLANS. THE MAIN  
8 DIFFERENCE BETWEEN THE PRELIMINARY PLANS AND THE FINAL  
9 PLANS IS THAT RATHER THAN THAT 60-DAY TIME FRAME TO GET  
10 WRITTEN COMMENTS FROM ALL THE AGENCIES AND THE  
11 COMPLETENESS REVIEW, THE AGENCIES WILL THEN HAVE 90 DAYS.

12 THE REASON FOR THAT IS BECAUSE OF THE LEVEL  
13 OF DETAIL THAT WILL BE PRESENT IN THE FINAL PLANS VERSUS  
14 THE LEVEL OF DETAIL IN THE PRELIMINARY PLANS. ONCE  
15 AGAIN, WE'RE BOUND BY THAT 180-DAY CLOCK, SO THERE WASN'T  
16 MUCH ROOM TO FLUCTUATE IN TERMS OF GRANTING THE REGIONAL  
17 BOARDS, LEA'S, OR OURSELVES MORE TIME FOR REVIEW OF THESE  
18 PLANS.

19 SO THE MAIN DIFFERENCES BETWEEN THESE TWO  
20 SECTIONS IS 60 DAYS ON THE PRELIMINARY PLANS FOR INITIAL  
21 COMMENT AND REVIEW, 90 DAYS ON THE FINAL PLAN.

22 WHAT WE'VE TRIED TO PROVIDE HERE IN THE  
23 LAST SECTION OF THIS -- THE LAST SUBSECTION OF THIS  
24 SECTION IS SOME SORT OF WRITTEN RECORD TO THE OPERATOR  
25 THAT IF THE PLAN IS TO BE DENIED, THAT THE LETTER OF



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1 DENIAL WILL BE VERY SPECIFIC AS FAR AS WHAT THE OPERATOR  
2 NEEDS TO DO IN ORDER TO PROVIDE US WITH A PLAN THAT CAN  
3 BE CONSIDERED FOR APPROVAL. IF THERE ARE ITEMS MISSING,  
4 IF THERE ARE INACCURATE ITEMS THAT JUST COULD NOT BE  
5 CORRECTED WITHIN THE 180 DAYS. SO WE ARE PUTTING IT UPON  
6 OURSELVES TO BE VERY SPECIFIC TO THE OPERATOR IF WE DO  
7 DENY THOSE PLANS AS TO WHAT NEEDS TO BE DONE IN ORDER TO  
8 BRING IN A PLAN THAT CAN BE CONSIDERED FOR APPROVAL.

9 THE NEXT SECTION IS ON THE AMENDMENT OF THE  
10 CLOSURE AND POSTCLOSURE MAINTENANCE PLANS, AND THAT  
11 BEGINS ON PAGE 24 OF YOUR PACKET. WHAT THIS SECTION DOES  
12 IS IT STATES THAT THE PLANS WILL BE AMENDED ON THE  
13 ANNIVERSARY OR THE DATE OF THE FIVE-YEAR REVIEW THAT IS  
14 REQUIRED UNDER OUR REGULATIONS. SO THAT EVERY FIVE YEARS  
15 THE OPERATOR WILL BE REQUIRED TO SUBMIT AN UPDATED  
16 CLOSURE AND POSTCLOSURE MAINTENANCE PLAN.

17 THE UPDATED PLAN SHOULD REFLECT FOUR ITEMS.  
18 WHAT WE'RE LOOKING FOR ARE ANY CHANGES IN THE OPERATION  
19 OR DESIGN OF THE FACILITY WHICH WOULD AFFECT THE  
20 IMPLEMENTATION OF THE CLOSURE AND POSTCLOSURE MAINTENANCE  
21 PLAN; A CHANGE IN THE ANTICIPATED DATE OF CLOSURE; A  
22 CHANGE IN THE FINANCIAL MECHANISM, IF THE MECHANISM WAS  
23 EITHER CANCELED OR THE OPERATOR CHOOSES TO MAKE THE  
24 CHANGE DUE TO OTHER FACTORS, AND THAT MUST BE APPROVED  
25 ONCE AGAIN; AND AN UPDATE OF THE COST ESTIMATES. IF THE

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1 COST ESTIMATES CHANGE SIGNIFICANTLY, THEN THAT WILL ALSO  
2 HAVE TO BE REFLECTED AND THE REASONS WHY BACK INTO THE  
3 PLAN.

4 SO WE'RE LOOKING FOR THE PLANS TO REFLECT  
5 THOSE FOUR ITEMS. WE'RE LOOKING FOR THE AMENDMENTS TO  
6 COME IN EVERY FIVE YEARS UNTIL FINAL CLOSURE OCCURS. AND  
7 WHAT WE'RE LOOKING AT IS SUBMITTAL OF THE FINAL PLAN --  
8 THAT'S SOMETHING GONE OVER IN THE LAST SECTION -- WE'RE  
9 LOOKING FOR SUBMITTAL OF THE FINAL PLAN TWO YEARS PRIOR  
10 TO THE ANTICIPATED DATE OF CLOSURE SO THAT THERE IS  
11 SUFFICIENT TIME, EVEN IF THE OPERATOR SUBMITS A PLAN THAT  
12 COULD NOT BE APPROVED WITHIN THE 180 DAYS, THAT THERE IS  
13 AMPLE TIME BEYOND THAT TO KEEP WORKING WITH THE OPERATOR  
14 TO GET A PLAN IN THAT IS APPROVED FOR CLOSURE AND  
15 POSTCLOSURE.

16 WHAT WE'RE ALSO LOOKING FOR IN THIS SECTION  
17 IS FOR THE LOCAL ENFORCEMENT AGENCY TO GO OUT TO THE  
18 FACILITY AT THE TIME OF THE SUBMITTAL OF THE APPLICATION  
19 FOR AMENDMENT AND EVALUATE THE CONDITIONS AT THE SITE TO  
20 MAKE SURE THAT CONDITIONS OR THE CONDITIONS ARE REFLECTED  
21 IN THE PROPOSED AMENDMENTS TO THE PLAN SO THAT THE  
22 OPERATOR HAS NOT MADE SIGNIFICANT DESIGN CHANGES WHICH  
23 ARE NOT PRESENT IN THE PLAN.

24 WE'RE ALSO LOOKING FOR AN ANNUAL ADJUSTMENT  
25 TO THE COST ESTIMATES TO ACCOUNT FOR INFLATION. THIS IS

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1 THE ONLY ITEM THAT WILL BE COMING IN ON A YEARLY BASIS AS  
2 FAR AS THESE PLANS ARE CONCERNED. WE'RE NOT LOOKING FOR  
3 AN ANNUAL ADJUSTMENT TO THE COST ESTIMATES BASED UPON  
4 CHANGES AT THE FACILITY, BUT BASED UPON INFLATION SO THAT  
5 THE FINANCIAL MECHANISM CAN BE THEN MODIFIED ACCORDINGLY.

6 VICE CHAIRMAN MOSCONE: WHAT YOU SAY, CAREN, THE  
7 MECHANISM MAY NOT BE DECREASED OTHER THAN AS A RESULT OF  
8 THE CLOSURE AND POSTCLOSURE AMENDMENT PROCESS?

9 MS. TRGOVCICH: CORRECT, WHICH IS THE EVERY FIVE  
10 YEAR PROCEDURE. SO THAT THE REASON WHY WE'RE SAYING YOU  
11 CAN INCREASE IT, BUT YOU CAN'T DECREASE IT IS BECAUSE,  
12 WITHOUT THE DOCUMENTATION TO SHOW WHY THEIR COST  
13 ESTIMATES HAVE DECREASED, WE JUST COULD NOT APPROVE A  
14 REDUCTION IN THE OVERALL FUND. WE WOULD NEED TO HAVE  
15 THAT CORRESPONDING DOCUMENTATION SHOWING WHY THAT IS  
16 OCCURRING. SO THIS SECTION DEALS WITH AMENDMENTS OF THE  
17 PLAN DURING THE OPERATIONAL TIME OF THE FACILITY.

18 THE NEXT SECTION DEALS WITH THE  
19 CERTIFICATION OF CLOSURE, AND THAT IS ON PAGE 26 OF YOUR  
20 PACKET.

21 THIS SECTION IS INTENDED TO SERVE TWO  
22 PURPOSES. THE FIRST IS TO ENSURE THAT QUALIFIED  
23 PROFESSIONALS ARE INVOLVED IN THE IMPLEMENTATION OF THESE  
24 PLANS, OF THE ACTIVITIES IN THE PLANS, AND THIS  
25 CERTIFICATION IS TO CONTAIN A SIGNED STATEMENT FROM THAT

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1 PROFESSIONAL THAT THAT PROFESSIONAL HAS OVERSEEN THE  
2 IMPLEMENTATION, CONDUCTED WHATEVER INSPECTIONS OR OTHER  
3 TYPE OF MONITORING THAT'S NECESSARY, AND IS MAINTAINING  
4 DOCUMENTATION OF THAT INSPECTION AND MONITORING THAT HAS  
5 BEEN CONDUCTED.

6 ANOTHER REASON FOR THE CERTIFICATION OF  
7 CLOSURE IS TO SPECIFY WHEN ANY REMAINING FUNDS IN THE  
8 CLOSURE FUND COULD THEN BE RELEASED. IF THE OPERATOR HAS  
9 SET ASIDE \$3 MILLION FOR CLOSURE AND HAS THEN COMPLETED  
10 ALL THE ACTIVITIES AND \$50,000 REMAINS IN THAT ACCOUNT,  
11 THERE NEEDS TO BE A MECHANISM BY WHICH THAT MONEY CAN  
12 THEN BE RELEASED, EITHER TO BE ROLLED OVER INTO THE  
13 POSTCLOSURE MAINTENANCE FUND OR TO BE TURNED BACK TO THE  
14 OPERATOR FOR FURTHER USE.

15 SO THIS SECTION SERVES TWO PURPOSES. AND  
16 WHAT WE'RE LOOKING FOR HERE, ONCE AGAIN, IS A  
17 PROFESSIONAL CERTIFICATION AND ALSO A CERTIFICATION BY  
18 THE OPERATOR. WE ARE LOOKING FOR DOCUMENTATION OF  
19 INSPECTIONS AND OTHER MONITORING THAT WAS TO BE  
20 CONDUCTED.

21 THE ALTERNATIVES THAT WE CONSIDERED IN THIS  
22 SECTION IS SOMETHING THAT I JUST WANT TO MENTION BECAUSE  
23 IT WAS BROUGHT UP AT ONE OF THE PREVIOUS BOARD MEETINGS,  
24 THAT WHY DO YOU NEED A PROFESSIONAL TO CERTIFY THAT THE  
25 ACTIVITIES HAVE BEEN DONE. AND SO WE CONSIDERED THAT AS



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1 AN ALTERNATIVE, AND WE ALSO CONSIDERED AN ALTERNATIVE  
2 THAT THE CERTIFICATION JUST BE SIGNED BY THE OPERATOR.  
3 WE FELT THAT THAT WAS INSUFFICIENT BECAUSE THE OPERATOR,  
4 IN MANY INSTANCES, WILL NOT HAVE THE KNOWLEDGE TO BE ABLE  
5 TO STATE TO THIS BOARD THAT ALL OF THE ACTIVITIES IN THE  
6 PLAN WERE CONDUCTED ACCORDING TO THE SPECIFICATIONS.

7 ONE OTHER REQUIREMENT IN THIS SECTION IS  
8 THAT THE PROFESSIONAL ALSO PROVIDE A DETAILED AS-BUILT  
9 DESCRIPTION OF THE FACILITY ONCE IT HAS BEEN CLOSED SO  
10 THAT ANY MODIFICATIONS TO THE PLAN WHICH WERE NECESSARY  
11 COULD BE SHOWN ON FINAL DRAWINGS.

12 THE LAST SECTION IN THIS APPROVAL PROCESS  
13 IS A SECTION ENTITLED "REVISION OF PLANS DURING CLOSURE  
14 AND POSTCLOSURE MAINTENANCE," AND THAT'S ON PAGE 27 OF  
15 YOUR PACKET.

16 THIS SECTION IS INTENDED TO PROVIDE  
17 OPERATORS WITH THE MECHANISM FOR REVISING THEIR PLANS  
18 ONCE THEY HAVE EITHER RECEIVED FINAL APPROVAL AND ARE  
19 IMPLEMENTING THE CLOSURE PORTION OF THE PLAN OR HAVE  
20 COMPLETED CLOSURE AND ARE CURRENTLY IN THE POSTCLOSURE  
21 MAINTENANCE PHASE OF THE PLAN.

22 WE FEEL THAT IT'S IMPORTANT TO MINIMIZE THE  
23 AMENDMENTS TO THE PLANS FOR TWO REASONS:

24 ONE, BECAUSE OF THE DAILY REVIEW THAT WOULD  
25 HAVE BEEN CONDUCTED OF THE FINAL PLANS AND THE FACT THAT



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1 ALL AGENCIES WOULD HAVE EVALUATED THOSE THOROUGHLY, PLUS  
2 THE ADMINISTRATIVE PROBLEM THAT THAT COULD CREATE WITHIN  
3 THIS BOARD. BECAUSE WE'RE LOOKING AT A MINIMUM PERIOD OF  
4 30 YEARS FOR POSTCLOSURE MAINTENANCE, IF ALL OPERATORS  
5 WHO HAVE CLOSED A FACILITY CONTINUE TO COME BACK WITH  
6 AMENDMENTS ROUTINELY AFTER CLOSURE OCCURS, WE WOULD NEVER  
7 BE LOOKING AT A REDUCTION, POTENTIALLY, IN THE NUMBER OF  
8 PLANS THAT WE WOULD BE REQUIRED TO EVALUATE. RATHER, WE  
9 WOULD BE LOOKING AT AN INCREASE IN THE NUMBER OF PLANS  
10 BECAUSE, AS NEW FACILITIES COME ON LINE, THAT WOULD  
11 MERELY ADD TO THE NUMBER OF PLANS THAT WOULD COME INTO  
12 THIS BOARD FOR APPROVAL.

13 WE'RE LOOKING AT TWO REASONS FOR REVISING  
14 THOSE PLANS DURING EITHER CLOSURE OR POSTCLOSURE  
15 MAINTENANCE. WE'RE LOOKING AT EITHER THAT THE  
16 MODIFICATION IS THERE TO ENHANCE THE ENVIRONMENTAL  
17 CONTROLS OF THE FACILITY, SO WE'RE LOOKING AT A POSITIVE  
18 ENVIRONMENTAL EFFECT, OR THAT THE MODIFICATION WILL  
19 REDUCE THE CONTROL PROVIDED THAT THE OPERATOR SUBMIT ALL  
20 THE DOCUMENTATION NECESSARY TO JUSTIFY THAT REDUCTION IN  
21 CONTROL.

22 ONE EXAMPLE COULD BE A MONITORING DEVICE  
23 WHICH IS NO LONGER USEFUL BECAUSE THE TIME IN WHICH THAT  
24 MONITORING DEVICE COULD HAVE DETECTED ANY MOVEMENT OR  
25 OTHER TYPE OF OCCURRENCE WOULD HAVE LAPSED; AND,

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1 THEREFORE, THE OPERATOR MAY BE REQUESTING REMOVAL OF THAT  
2 MONITORING DEVICE OR A REDUCTION IN THE NUMBER OF  
3 DEVICES.

4 BOARD MEMBER BEAUTROW: EXCUSE ME.

5 VICE CHAIRMAN MOSCONE: MR. BEAUTROW.

6 BOARD MEMBER BEAUTROW: I'VE GOT TO GO BACK TO  
7 THAT ONE AREA, AS-BUILT DESCRIPTION. I HOPE YOU  
8 UNDERSTAND WHAT YOU ARE SAYING THERE. A GUY COULD COME  
9 UP AND SAY, "WE INCREASED THE SITE AN AVERAGE OVER A  
10 HUNDRED ACRES OF A FOOT OR SOMETHING, AND IT MIGHT BE 10  
11 FOOT UP IN ONE DIRECTION AND 5 FOOT DOWN IN ANOTHER OR  
12 WHATEVER. BUT I THINK WHAT YOU ARE TRYING TO SAY -- I  
13 BELIEVE WHAT YOU NEED IN CERTAIN CIRCUMSTANCES, AS-BUILT  
14 PLANS WHERE THEY DO, YOU KNOW, REFLY THE THING, WHEN IT'S  
15 ALL DONE AND YOU'VE GOT A TOPO MAP. AN AS-BUILT  
16 DESCRIPTION IS SOMETHING COMPLETELY DIFFERENT. I HOPE  
17 YOU UNDERSTAND THAT. AND YOU MENTION IT IN SEVERAL  
18 PLACES THERE IN (C).

19 MS. TRGOVCICH: SO THAT WILL READ, THEN, THAT  
20 THE CERTIFICATION SHALL INCLUDE DETAILED AS-BUILT PLANS,  
21 AND WHAT THAT WILL DO IS REFLECT ANY APPROVED CHANGES  
22 THAT MAY HAVE OCCURRED WHICH WOULD DIFFER FROM THE PLANS  
23 AS THEY WERE APPROVED PRIOR TO CLOSURE.

24 BOARD MEMBER BEAUTROW: I MEAN, I'M NOT ALLUDING  
25 TO THE FACT THAT THAT'S GOING TO BE CHEAP; BUT, ON THE



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1 OTHER HAND, I DON'T THINK YOU WANT A ONE-PAGE DESCRIPTION  
2 OF WHAT THEY DID.

3 MR. ORR: THAT'S A GOOD POINT. IN FACT, ONE OF  
4 THE THINGS THAT WE BROUGHT TO YOUR ATTENTION AT THE  
5 PREVIOUS MEETING WAS REQUIRING AERIAL PHOTOGRAPHS BE  
6 FLOWN, AND ONE OF THE TIMES WE WERE TALKING ABOUT WAS  
7 UPON -- WHEN -- UPON CERTIFICATION OF CLOSURE. AND SO  
8 THAT WOULD BE A WAY OF DEVELOPING THOSE AS-BUILT PLANS.

9 THE OTHER MAIN AREA THAT WE'RE INTERESTED  
10 IN WAS WHEN, FOR EXAMPLE, A CERTAIN MONITORING DEVICE  
11 MIGHT HAVE BEEN PROPOSED FOR SOME SPACING OUT IN THE  
12 FIELD; BUT WHEN THEY WENT TO INSTALL THEM, THERE WERE  
13 CERTAIN FIELD CONDITIONS --

14 BOARD MEMBER BEAUTROW: WE PUT THE WELLS AT 500  
15 FEET INSTEAD OF 200.

16 MR. ORR: RIGHT. OR WE HAD TO MOVE THIS ONE  
17 OTHER 50 FEET BECAUSE THERE WAS A POWER LINE OR SOMETHING  
18 LIKE THAT. WE WANT TO KNOW WHERE IT IS, NOT WHERE IT WAS  
19 PLANNED TO BE. SO THOSE ARE GOOD SUGGESTIONS.

20 MS. TRGOVCICH: THAT CONCLUDES THE REGULATIONS  
21 IN THIS SECTION. I DON'T KNOW IF THERE WERE MEMBERS OF  
22 THE AUDIENCE HERE TODAY WHO HAVE ANY COMMENTS ON THIS  
23 SECTION, BUT WE OF STAFF ARE AVAILABLE TO RECEIVE THOSE  
24 COMMENTS AND ARE OPEN TO SUGGESTIONS.

25 VICE CHAIRMAN MOSCONE: IS THERE ANYONE IN THE



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1 AUDIENCE WHO HAS BEEN LISTENING TO ALL OF THIS WHO WOULD  
2 LIKE TO MAKE ANY COMMENTS ON WHAT WE'VE BEEN THROUGH  
3 HERE. MR. PANTAGES.

4 MR. PANTAGES: MY NAME IS DICK PANTAGES. I'M  
5 WITH THE ALAMEDA COUNTY DEPARTMENT OF ENVIRONMENTAL  
6 HEALTH. I'D JUST LIKE CLARIFICATION ON PAGE 20 IN YOUR  
7 AGENDA PACKAGE, SECTION 18268 (C), ABOUT THE LOCAL  
8 ENFORCEMENT AGENCY SHALL BEGIN CALCULATION OF THE COSTS  
9 INCURRED ONCE ALL ITEMS IDENTIFIED UNDER SECTION 18267  
10 HAVE BEEN SUBMITTED BY THE APPLICANT.

11 MY RECOLLECTION IS THE DISCUSSION WAS THAT  
12 IF THERE WAS SOMETHING DEFICIENT, WE COULD NOT COLLECT  
13 THE MONEY. THE WAY I READ THIS IS ONCE THEY SUBMIT THE  
14 DOCUMENTS, YOU KNOW, WE MAY DETERMINE IMMEDIATELY THAT  
15 THERE'S SOMETHING SIGNIFICANT MISSING AND RETURN THE  
16 DOCUMENTS, OR IT MAY TAKE US SOME LENGTH OF TIME TO  
17 DETERMINE IF THERE'S INFORMATION MISSING IN THE  
18 DOCUMENTS. I WANT TO MAKE IT CLEAR THAT WE CAN RECOVER  
19 ALL OUR COSTS FROM THE TIME WE RECEIVE THE DOCUMENTS, NOT  
20 THE TIME WE APPROVE THE DOCUMENTS.

21 MS. TRGOVCICH: THAT'S CORRECT. WHAT WE'RE  
22 LOOKING FOR -- THE REASON WHY WE REFERENCED SECTION 18267  
23 IS WE'RE SAYING THAT THE LOCAL ENFORCEMENT AGENCY JUST  
24 HAS TO MAKE SURE THAT THE PLANS HAVE BEEN SUBMITTED, THAT  
25 THE UPDATED COST ESTIMATES HAVE BEEN SUBMITTED, AND A

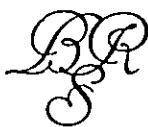
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1 COPY OF THE MOST RECENT SUMMARY OF THE FINANCIAL  
2 MECHANISM. WE'RE NOT ASKING WHETHER THEY'RE DEFICIENT,  
3 WHETHER THERE ARE ANY OMISSIONS, BUT JUST THAT THE THREE  
4 DOCUMENTS HAVE BEEN SUBMITTED BEFORE ANY REVIEW OF THOSE  
5 DOCUMENTS BEGINS.

6 MR. PANTAGES: I WANT TO MAKE THAT CLEAR BECAUSE  
7 YOUR CURRENT REGULATIONS FOR PERMITS REQUIRE US, WHEN WE  
8 RECEIVE A PERMIT APPLICATION, IF WE DETERMINE THAT IT'S  
9 NOT COMPLETE, WE HAVE TO RETURN THE APPLICATION FEE IN  
10 SPITE OF THE FACT THAT IT MAY HAVE TAKEN US QUITE A BIT  
11 OF TIME AND EFFORT TO REVIEW THE APPLICATION. I WANT TO  
12 MAKE SURE THAT WE CAN GET REIMBURSED FOR THIS.

13 VICE CHAIRMAN MOSCONE: THANK YOU, MR. PANTAGES.  
14 ARE THERE ANY OTHER QUESTIONS OR COMMENTS? YES, SIR.

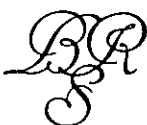
15 MR. GULLEDGE: MY NAME IS JOHN GULLEDGE. I'M  
16 WITH THE L.A. COUNTY SANITATION DISTRICTS. AND I JUST  
17 GOT A CHANCE TO LOOK AT THIS WHEN I GOT HERE TODAY, BUT  
18 THERE ARE A COUPLE OF POINTS THAT I HAD QUESTIONS ABOUT,  
19 I GUESS.

20 ONE IN PARTICULAR WAS WITH RESPECT TO -- I  
21 THINK CAREN WHAT WAS REFERRING TO ON SUBMITTAL OF CLOSURE  
22 AND POSTCLOSURE MAINTENANCE PLAN, SECTION 18255, AND  
23 SECTION THAT WAS ADDED -- I THINK ON PAGE 7 OF THE  
24 DOCUMENT HERE -- WHERE SHE WAS DISCUSSING THAT BEFORE YOU  
25 IMPLEMENT ANY OF THE CLOSURE OR POSTCLOSURE FACILITIES,

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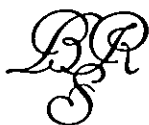
1 THAT YOU MUST GET APPROVAL FROM, I GUESS, THE WASTE  
2 MANAGEMENT BOARD BEFORE YOU PROCEED WITH THAT.

3 AND I SEE THAT AS A POTENTIAL PROBLEM IF,  
4 AS I UNDERSTAND WHAT SHE WAS REFERRING TO, WOULD BE ALL  
5 ENVIRONMENTAL CONTROL SYSTEMS BECAUSE THOSE -- TYPICAL  
6 WAY OF OPERATING, AT LEAST FOR US, IS THAT WE BUILD  
7 ENVIRONMENTAL CONTROL SYSTEMS AS WE GO. AND, IN  
8 PARTICULAR, AS IT RELATES TO GAS COLLECTION SYSTEMS, YOU  
9 WILL BE CONSTRUCTING THOSE ON AN ANNUAL BASIS ALMOST OR  
10 EVERY OTHER YEAR, DEPENDING ON THE PARTICULAR SITE. AND  
11 IT SEEMS AS THOUGH WE MAY BE ADDING, ONE, ANOTHER  
12 REGULATORY INVOLVEMENT ON THAT RATHER ROUTINE PROGRAM,  
13 ONE. AND, TWO, I'M CONCERNED ABOUT WHAT DOES THAT  
14 REGULATORY REVIEW ENTAIL?

15 WE ALREADY HAVE LENGTHY DELAYS IN TRYING TO  
16 OBTAIN PERMITS TO CONSTRUCT THESE FACILITIES WITH THE  
17 LOCAL AIR DISTRICT. AND ARE WE POTENTIALLY GOING TO GET  
18 INTO A QUANDARY OF WHAT THE AIR DISTRICT WANTS VERSUS  
19 WHAT THE WASTE MANAGEMENT BOARD MAY WANT IN TERMS OF  
20 APPROVAL PROCESS, AND THEY MAY NOT BE ONE IN THE SAME OR  
21 THERE MAY BE SOME PROBLEMS IN THAT RESPECT.

22 SO I'M NOT QUITE SURE WHAT THEY'RE HEADING  
23 TOWARDS IN THAT PARTICULAR AREA.

24 MR. ORR: IF I MIGHT ANSWER THAT QUESTION AS  
25 BEST I CAN AT THIS TIME. WHAT WE ANTICIPATE HERE IS THAT



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1 WHAT WE'RE LOOKING AT IS THAT TO UNDERGO WHAT WE'RE  
2 DESCRIBING AS PARTIAL CLOSURE IS GOING TO REQUIRE A  
3 PLANNING ON THE PART OF THE OPERATOR FOR SOME TIME FRAME  
4 IN ADVANCE OF WHAT THEY'RE ACTUALLY IMPLEMENTING AT THAT  
5 TIME.

6 SO, FOR EXAMPLE, IF WE REVIEW THE PLANS  
7 EVERY FIVE YEARS, THE CLOSURE PLANS, AND WE REVIEW THE  
8 SOLID WASTE FACILITIES PERMIT EVERY FIVE YEARS, WHAT THIS  
9 WOULD PROBABLY BEHOVE THE OPERATOR IS TO THINK ABOUT  
10 WHAT AREAS OF THE LANDFILL THEY'RE GOING TO BE WORKING ON  
11 WITHIN THAT FIVE-YEAR TIME FRAME AND SUBMIT THOSE PLANS  
12 FOR APPROVAL WITH THE CLOSURE PLAN AT THAT TIME.

13 WHAT THIS DOES REQUIRE IS THAT TWO YEARS  
14 PRIOR TO THE IMPLEMENTATION OF ANY ACTIVITY, YOU WOULD  
15 HAVE TO HAVE THAT KIND OF APPROVAL. SO WHAT THIS WOULD  
16 BE IS, YOU KNOW, LOOKING IN A WINDOW OF, SAY, TWO TO FIVE  
17 YEARS AS TO WHAT AREAS OF THE LANDFILL YOU ARE GOING TO  
18 BE OPERATING AND, ESSENTIALLY, SUBMITTING THOSE PLANS FOR  
19 APPROVAL IN THAT KIND OF TIME FRAME.

20 IN TERMS OF SOME OF THE OPERATION  
21 ACTIVITIES, IF THEY'RE NOT REALLY TRADITIONALLY  
22 CONSIDERED AS A PART OF CLOSURE, THOSE ACTIVITIES WOULD  
23 STILL BE APPROVED UNDER THE EXISTING PROCESS FOR THE  
24 SOLID WASTE FACILITIES WHERE YOU HAVE TO ANTICIPATE  
25 MAKING SIGNIFICANT CHANGES TO YOUR FACILITY AND APPLY FOR



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1 REVISIONS TO YOUR PERMIT ACCORDINGLY.

2 SO, FOR EXAMPLE, WHAT WE HAVE IN MIND WOULD  
3 BE, SAY, IF YOU ARE GOING TO PLACE FINAL COVER AS YOU GO,  
4 YOU WOULD HAVE TO HAVE A DESIGN APPROVED AND AN AREA THAT  
5 YOU ARE GOING TO APPLY THAT COVER TO AT LEAST TWO YEARS  
6 PRIOR TO ACTUALLY PLACING THAT MATERIAL DOWN. OR THAT  
7 YOU WOULD HAVE TO APPLY FOR IT TWO YEARS. IT WOULD THEN  
8 GO THROUGH THIS PROCESS, SO, HOPEFULLY BY THE TIME YOU  
9 WERE INTENDING ON DOING IT, IT BE WOULD HAVE BEEN  
10 APPROVED AS SUCH.

11 SO WHAT IT'S TRYING TO DO IS TO GET PEOPLE,  
12 INSTEAD OF BEING IN THE QUANDARY OF WE'VE BEEN PLACING  
13 THIS FINAL COVER, BUT THERE'S REALLY NOT AN APPROVED  
14 DESIGN, GETTING THE APPROVAL UP FRONT. AND AS LONG AS  
15 THE DESIGN REMAINS THE SAME AND YOU'RE FILLING IN AREAS  
16 ACCORDING TO A SEQUENCE THAT YOU'D ALREADY ESTABLISHED,  
17 THAT APPROVAL WOULD BE UP FRONT. BUT IN TERMS OF THINGS  
18 LIKE, FOR EXAMPLE, DAILY OPERATIONS, LIKE, FOR EXAMPLE,  
19 DAILY COVER AND THOSE THINGS, THOSE WOULD BE CONTINUED TO  
20 BE DEALT WITH IN THE CONTEXT OF THE REGULAR SOLID WASTE  
21 FACILITIES PERMIT.

22 I THINK THAT THIS RELATIONSHIP HERE THAT'S  
23 IMPORTANT IS WHEN YOU TALK ABOUT THE COST ESTIMATES AND  
24 THINGS THAT ARE, IN A SENSE, GOING TO BE REDUCED FROM THE  
25 RESPONSIBILITY OF THE OPERATOR TO HAVE, SAY, AN ENTIRE



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1 AMOUNT FOR CLOSURE AND POSTCLOSURE MAINTENANCE. IF YOU  
2 ARE GOING TO IMPLEMENT CERTAIN ACTIVITIES OUT OF YOUR  
3 OPERATING REVENUE, WHICH HAS BEEN THE SUGGESTION THAT WE  
4 RECEIVED, WE'RE TRYING TO COME UP WITH A MECHANISM TO  
5 APPROVE THAT ACTIVITY DURING OPERATION TO ENSURE THAT BY  
6 THE TIME WE GET TO CLOSURE, THAT THE MONEY HAS BEEN  
7 PROPERLY -- HAS BEEN SPENT TO GET TO A DESIGN THAT HAS  
8 BEEN APPROVED.

9 MR. GULLEDGE: OKAY. WELL, I THINK I MIGHT LIKE  
10 TO TALK TO YOU FURTHER ABOUT IT IN TERMS OF THE DETAILS.

11 THE ONLY OTHER OBSERVATION I THINK I WOULD  
12 MAKE, AND WE'VE MADE THIS BEFORE IN THE WORKSHOPS AND  
13 THAT, AND I THINK MR. ARAKALIAN WAS VERY ELOQUENT IN HIS  
14 STATEMENT OF THE PROBLEMS ABOUT

15 BOARD MEMBER ARAKALIAN: I'M A LOT OF OTHER  
16 THINGS, BUT HARDLY ELOQUENT.

17 MR. GULLEDGE: BUT ANYWAY, WITH RESPECT TO THE  
18 TIME FRAMES, AND I DO THINK THAT THERE ARE GOING TO BE  
19 SIGNIFICANT PROBLEMS ON TIME FRAMES FOR THE REVIEW  
20 PROCESSES. FOR THOSE WHO WERE, I THINK, IN THE  
21 WORKSHOPS, THAT WAS PROBABLY ONE OF THE KEY ITEMS THAT  
22 WERE COMMENTED ON BY EVERYONE THAT ATTENDED IT. AND I'M  
23 NOT SURE THAT -- YOU KNOW, I APPRECIATE WHAT THE STAFF IS  
24 ATTEMPTING TO DO, AND I THINK THEY'RE DOING THE BEST THEY  
25 CAN; BUT I DO THINK THAT THERE ARE THINGS THAT THEY NEED



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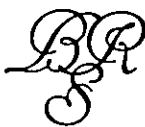
1 TO STILL EXPLORE, WHETHER IT WOULD BE MAYBE SOME SLIGHT  
2 LANGUAGE MODIFICATION ASSOCIATED WITH THE LAW ITSELF TO  
3 ENSURE THAT YOU DON'T HAVE THIS QUANDARY OR PROBLEM OF  
4 THE REVIEW PROCESS, OR EVEN LOOKING AT IT IN TERMS OF  
5 ISSUES, LIKE TYPICAL LANGUAGE THAT I'VE SEEN MOST  
6 REGULATORY AGENCIES USE ARE DEEMED COMPLETE, THAT USE  
7 LANGUAGES IN THE REGULATIONS AND, THAT BECOMES A  
8 TRIGGERING MECHANISM, SUCH THAT ALL THE REVIEW PROCESS  
9 TAKES PLACES SO THAT YOU KNOW THAT YOU HAVE A COMPLETE  
10 PACKAGE, YOU KNOW THAT ALL THE BASIC ELEMENTS ARE THERE,  
11 THEN APPLICATION IS DEEMED COMPLETE, AND THAT TRIGGERS A  
12 TIME LINE FOR IMPLEMENTATION. NOT ONLY TRIGGERS THE  
13 180-DAY CLOCK THAT'S BEING REFERRED TO NOW, BUT ALSO  
14 POTENTIALLY COULD TRIGGER THE ONE-YEAR TIME FRAME. I  
15 WOULD SUGGEST THAT MAYBE THAT BE LOOKED INTO FURTHER.  
16 THANK YOU.

17 BOARD MEMBER ARAKALIAN: ON THE SECOND THOUGHT,  
18 I DID LIKE THAT DESCRIPTION.

19 BOARD MEMBER VARNER: MR. CHAIRMAN, I'D LIKE TO  
20 ASK THIS GENTLEMAN A QUESTION.

21 YOU REFERRED TO THE POSSIBILITY OF HAVING  
22 CONFLICTING THINGS THAT YOU HAVE TO ADHERE TO AMONG THE  
23 DIFFERENT AGENCIES. THAT'S WHAT I UNDERSTOOD YOU TO SAY  
24 IN SOME OF YOUR COMMENTS TO BEGIN WITH.

25 MR. GULLEDGE: WELL, WHAT I'M SAYING IS THAT



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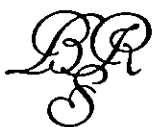
1 THAT POTENTIAL DOES EXIST. WHETHER OR NOT IT'S A REAL  
2 FEAR OR IN ACTUALITY WILL HAPPEN OR MAYBE IT'S A MORE  
3 SUBJECTIVE OPINION AT THIS POINT, BUT IT'S THE TYPE OF  
4 THING THAT WE HAVE SEEN ON OCCASION TAKE PLACE WHEN WE'RE  
5 DEALING WITH VARIOUS REGULATORY AGENCIES, THAT WHAT ONE  
6 LIKES, THE OTHER ONE DOESN'T QUITE LIKE. YOU END UP WITH  
7 THIS OVERLAPPING JURISDICTIONAL-TYPE PROBLEM.

8 BOARD MEMBER VARNER: THE REASON I'M ASKING THIS  
9 AND THE SENATE TASK FORCE THAT NOW IS IN EXISTENCE, WE  
10 HEAR DIFFERENT COMMENTS COMING ON JUST SUCH THINGS AS  
11 THIS, THAT SOME OF THEM, AT LEAST, INSINUATE THAT THERE'S  
12 QUITE A CONFLICT THERE, THAT THEY SATISFY ONE AGENCY AND  
13 CAN'T SATISFY THE OTHER ON THE SAME ITEM, THEREBY  
14 CREATING A CATCH 22 SITUATION.

15 SO THE REASON I'M ASKING YOU THIS, YOU  
16 KNOW, DO YOU HAVE ANY SPECIFIC THINGS THAT WE COULD LOOK  
17 AT TO TRY TO CORRECT, IF IT'S POSSIBLE?

18 MR. GULLEDGE: PROBABLY THE ONLY EXAMPLES THAT I  
19 MIGHT JUST MENTION OFFHAND RIGHT NOW MIGHT BE IN TERMS OF  
20 DEALING WITH EITHER LINER-TYPE DESIGNS OR DEALING WITH  
21 COVER-TYPE DESIGNS. WHAT ONE PARTICULAR BODY MAY FIND OR  
22 AGENCY FIND ACCEPTABLE, POSSIBLY ANOTHER ONE DOESN'T, FOR  
23 WHATEVER THE REASONS MAY BE. THAT'S ONE TYPE OF EXAMPLE.

24 AND ANOTHER THING, WHAT I WAS MENTIONING  
25 HERE THAT I WAS MORE CONCERNED WITH WAS ONE OF THE MAIN



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1 THINGS THAT WE'RE BUILDING ALL THE TIME ARE GAS  
2 COLLECTION-TYPE SYSTEMS. IF THE WASTE MANAGEMENT BOARD'S  
3 GOING TO TAKE ON SOME SORT OF AN APPROVAL PROCESS  
4 ASSOCIATED WITH GAS COLLECTION SYSTEMS, THAT APPROVAL  
5 PROCESSOR OR WHAT THEY MAY BE LOOKING FOR IN A  
6 STATEWIDE-TYPE APPROACH MIGHT CORRESPOND TO WHAT THE  
7 LOCAL AIR DISTRICT MAY WANT TO SEE, NOT ONLY IN TERMS OF  
8 THE WAY THE FACILITIES ARE DESIGNED, BUT THE WAY THEY'RE  
9 INSTALLED. SO WE MAY END UP WITH SORT OF A CONFLICT FROM  
10 THAT STANDPOINT. THAT'S GOING TO TAKE PLACE. IT DEPENDS  
11 ON HOW AND WHAT THE REVIEW PROCESS ENTAILS. AS BILL WAS  
12 OUTLINING FOR ME HERE TODAY, I GUESS IT WAS MORE IN  
13 TERMS -- ON THAT PARTICULAR ONE WAS MORE IN THE TERMS OF  
14 FINANCIAL MECHANISM, WHETHER OR NOT YOU DELETE FROM YOUR  
15 FINANCIAL MECHANISM OR NOT.

16 BOARD MEMBER VARNER: OKAY. BEING THAT THIS IS  
17 AN ONGOING COMPLAINT AND I, FOR ONE, AM LOOKING FOR WAYS  
18 TO TRY TO CORRECT IF THERE'S A CORRECTABLE MECHANISM, I  
19 MIGHT ASK MR. EOWAN. YOU'VE HEARD THE SAME COMPLAINT,  
20 I'M SURE. DO YOU SEE IN THE THINGS THAT WE'RE DOING HERE  
21 THIS KIND OF A PROBLEM ARISING? OR IF IT IS, CAN WE DO  
22 SOMETHING TO ALLEVIATE IT?

23 MR. EOWAN: I THINK I MISSED SOME OF YOUR  
24 DISCUSSION EARLIER. I WAS OUT OF THE ROOM.

25 BOARD MEMBER VARNER: WELL, GEORGE, IT'S



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1 ESSENTIALLY THIS: WE HEAR DIFFERENT ONES, SOME OF THEM  
2 IN LOCAL GOVERNMENT, SOME OF THEM PRIVATE ENTERPRISE  
3 SAYS, "WELL, ONE OF THE PROBLEMS, IF WE GO TO THE WATER  
4 BOARD, THEY HAVE A SET OF REGULATIONS FOR SUCH-AND-SUCH.  
5 AND WE GO TO THE AIR BOARD, AND THEIR REGULATIONS ARE A  
6 LITTLE BIT DIFFERENT. WHEN WE SATISFY ONE, WE CAN'T  
7 SATISFY THE OTHER." AND MAYBE IN SOME INSTANCES, THEN,  
8 THEY SAY WHAT THE WASTE BOARD HAS UNDER THEIR  
9 JURISDICTION, THEN THERE'S ANOTHER SET OF CRITERIA THAT  
10 DOESN'T QUITE MATCH. I DON'T KNOW IF THIS IS TRUE OR  
11 NOT.

12 MR. EOWAN: I THINK -- YOU KNOW, THE LARGER  
13 ISSUE OF WASTE MANAGEMENT IN THE STATE, IT'S TRUE BECAUSE  
14 YOU'VE GOT SO MANY JURISDICTIONS AT THE STATE LEVEL,  
15 LOCAL LEVEL, FEDERAL LEVEL. NOW, WHEN YOU START TALKING  
16 JUST ABOUT CLOSURE/POSTCLOSURE, THE RANGE OF  
17 POSSIBILITIES NARROWS SOMEWHAT. AND WHEN WE HAD THE GOOD  
18 FORTUNE OF BEING ABLE TO DESIGN THE LAW WITH A LITTLE BIT  
19 MORE KNOWLEDGE ABOUT WHAT WAS GOING ON, NOT QUITE AS  
20 INCREMENTALLY AS THE REST OF SOLID WASTE LAW HAS BEEN  
21 DESIGNED OVER THE YEARS. AND AS A RESULT, WE WERE ABLE  
22 TO CONSOLIDATE AND BUILD IN COORDINATION MECHANISMS  
23 BETTER, PARTICULARLY AT THE STATE LEVEL, YOU KNOW, WITH  
24 THE WATER BOARD HAVING A SPECIFIC WATER PORTION OF THE  
25 CLOSURE PLAN.

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1                    THAT WAS A MAJOR PART OF THE ENACTING  
2                    LEGISLATION. AND I THINK, FOR NOW, WE FEEL GOOD THAT  
3                    THAT'S GOING TO WORK WELL. BUT THAT DOESN'T SOLVE THE  
4                    ISSUE OF ANY FEDERAL REGULATIONS OR LAWS THAT MAY COME  
5                    ALONG, AS WELL AS ANY LOCAL DIFFERENCES FROM JURISDICTION  
6                    TO JURISDICTION. BUT AS FAR AS STATE LEVEL ON CLOSURE, I  
7                    THINK IT'S PROBABLY BETTER THAN ANY OTHER LAW WE HAVE TO  
8                    WORK WITH RIGHT NOW IN THE AREA.

9                    BOARD MEMBER VARNER: WELL, THERE'S TWO THINGS,  
10                    THOUGH, I KIND OF WANT TO GET ON THE PUBLIC RECORD. ONE  
11                    OF THEM IS THIS ACCUSATION THAT STATE AGENCIES DON'T TALK  
12                    TO ONE ANOTHER. AND IT'S MY UNDERSTANDING OF DISCUSSIONS  
13                    WITH YOU THAT THIS IS ABSOLUTELY NOT TRUE, THAT WE DO TRY  
14                    TO WORK TOGETHER WITHIN THE FRAMEWORK THAT WE HAVE TO  
15                    WORK. THAT'S SOMETHING THAT NEEDS TO BE PUT TO REST.

16                    THEN THE OTHER THING, OBVIOUSLY, IS THE  
17                    POSITION THAT WE TAKE AS A BOARD, THAT PART OF THIS  
18                    PROBLEM IS FRAGMENTING THE AUTHORITY OF -- WHATEVER  
19                    SECTION OF SOLID WASTE FRAGMENTING AMONGST TWO OR THREE  
20                    DIFFERENT AGENCIES, AND SO, OBVIOUSLY, YOU'RE GOING TO  
21                    HAVE SOME PROBLEMS. SO WE NEED, THERE AGAIN, EVERY  
22                    OPPORTUNITY WE GET TO BRING THIS FORWARD; THAT IF YOU  
23                    WANT TO ELIMINATE THIS SORT OF THING, YOU STOP THE  
24                    FRAGMENTATION AS ONE POSITIVE STEP FORWARD.

25                    AND THE OTHER ONE, AS HAS BEEN STATED, AND



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1 I BELIEVE THAT YOU MADE THAT STATEMENT BEFORE THIS TASK  
2 FORCE AND ALSO THE OTHER STATE AGENCIES THERE SAID THE  
3 SAME THING, THAT THERE IS COOPERATION AMONG THE STATE  
4 AGENCIES. SO WE GOT TO, AT LEAST, BRING THESE FORWARD AS  
5 FACTS; OR IF THEY'RE NOT TRUE, WE GOT TO FIND OUT A WAY  
6 IN WHICH TO HANDLE THEM SO THAT WE ELIMINATE THIS KIND OF  
7 A COMPLAINT.

8 BUT THERE'S TWO ISSUES THAT I'D LIKE TO GET  
9 ON THE RECORD AS TO WHAT ACTUALLY IS. AND NATURALLY WE,  
10 AS A BOARD, ARE COMMITTED TO TRY TO ELIMINATE THOSE KIND  
11 OF CATCH 22 SITUATIONS. BUT SOME OF THE THINGS THAT ARE  
12 BEING PROPOSED FROM DIFFERENT ANGLES ONLY INCREASES  
13 PROBLEMS, AT LEAST INCREASE THE PERCEPTION.

14 VICE CHAIRMAN MOSCONE: ARE THERE ANY OTHER  
15 QUESTIONS OR COMMENTS FROM THE AUDIENCE? WE WILL TAKE A  
16 TEN-MINUTE BREAK, RECESS.

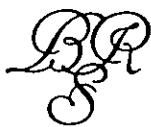
17 MR. IWAHIRO: YES. I JUST WANT TO KIND OF  
18 CONCLUDE THIS PARTICULAR ITEM BY SAYING THAT THE NEXT  
19 TIME THE BOARD WILL VIEW THESE, WE'LL HAVE THEM IN MORE  
20 SPECIFIC LANGUAGE. IT WILL BE IN THE OAL PROCESS, THE  
21 FORMAL PROCESS.

22 WE'VE SENT THESE DRAFTS OUT TO A WHOLE MAIN  
23 LIST, AND SO WE'LL BE GETTING COMMENTS BACK FROM THEM,  
24 AND WE'LL BE TAKING THE COMMENTS YOU'VE GIVEN US TODAY  
25 AND THOSE FOLKS YOU TALKED WITH, AND TRY TO WORK OUT A

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1 KIND OF A FINAL DRAFT LANGUAGE NEXT TIME YOU WILL SEE  
2 THEM, IN A COUPLE OF MONTHS, I BELIEVE, ACCORDING TO OUR  
3 COMPLEX SCHEDULE THAT MR. BEAUTROW REFERRED TO. BUT I  
4 THINK IT'S IN JUNE OR JULY, SOMEPLACE IN THAT AREA -- NO,  
5 APRIL.

6 VICE CHAIRMAN MOSCONE: WILL YOU BE ELIMINATING,  
7 THEN, THE PROBLEM STATEMENTS AND THE NEED FOR REGULATION?  
8 WILL ALL OF THAT BE ELIMINATED FROM THE NEXT GO AROUND?

9 MR. ORR: IT WILL BE SEPARATED.

10 MS. TRGOVCICH: ALL THE LANGUAGE WILL BE  
11 TOGETHER. THE PROPOSED LANGUAGE WILL READ AS ONE PIECE  
12 OF TEXT. PROBLEM STATEMENTS, THE NEEDS FOR REGULATION,  
13 THE ALTERNATIVES CONSIDERED WILL BE A SEPARATE DOCUMENT  
14 CALLED A DIGEST. AND WHAT THAT WE WILL IS GO SECTION BY  
15 SECTION DESCRIBING THE REGULATIONS.

16 VICE CHAIRMAN MOSCONE: VERY GOOD. WE WILL  
17 RECESS UNTIL 10 MINUTES OF ELEVEN.

18 (A BREAK WAS TAKEN.)

19 VICE CHAIRMAN MOSCONE: I SEE THAT WE'RE SHORT A  
20 COUPLE OF THE MEMBERS SO WE'LL HOLD ON. INASMUCH AS  
21 THERE'S NO ACTION TO BE TAKEN ON THE NEXT ITEM, WE'LL  
22 CONTINUE WITH AGENDA ITEM NO. 1 (B).

23 MR. IWAHIRO: YES, MR. CHAIRMAN. KIND OF AS A  
24 BACKGROUND, 2448 REQUIRES OPERATORS TO SUBMIT ON JANUARY  
25 1ST OF THIS YEAR, THIS PAST JANUARY, A FINANCIAL



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1 MECHANISM FOR ASSURING CLOSURE AND POSTCLOSURE  
2 MAINTENANCE, AND THEY'VE DONE THAT. AND AS WE, AS A  
3 BOARD, HAVE ISSUED A SET OF GUIDELINES THAT YOU FOLKS  
4 CONSIDERED AND APPROVED FOR DISTRIBUTION LAST YEAR. A  
5 QUIRK IN THE LAW SAYS THAT FOLKS HAVE TO SUBMIT THIS  
6 MECHANISM IN JANUARY, AND WE ARE TO ADOPT REGULATIONS IN  
7 A FEW MONTHS IN JULY.

8 SO WE HAD GUIDELINES; HOWEVER, WE NEED TO  
9 GET ON WITH THE DEVELOPMENT OF REGULATIONS TO MORE OR  
10 LESS MAKE THIS ALL FORMAL. AS YOU RECALL AGAIN, WE HAVE  
11 CONTRACTED WITH ICF TO GIVE US AN EVALUATION OF THE  
12 FINANCIAL MECHANISMS THAT ARE AVAILABLE AND TO RECOMMEND  
13 TO YOU FOLKS WHAT KIND OF MECHANISM, AN EVALUATION AND  
14 ANALYSIS OF ALL THOSE MECHANISMS SO THAT YOU CAN MAKE A  
15 CHOICE FOR THE REGULATIONS.

16 ICF PEOPLE HAVE NOW DEVELOPED A DRAFT. IT  
17 CAME IN AT SUCH A TIME THAT IT WAS NOT ABLE TO BE  
18 INCLUDED IN YOUR PACKET, BUT THE WAY WE'RE HANDLING THIS  
19 IS THAT WE'VE GIVEN YOU A COPY RIGHT NOW AND WE WILL GO  
20 OVER IT, AND WE WILL DISCUSS IT AND PERHAPS YOU HAVE SOME  
21 COMMENTS ON IT.

22 WE'LL BE BRINGING IT BACK FOR FORMAL ACTION  
23 NEXT BOARD MEETING. THIS IS KIND OF LIKE A PREVIEW, YOU  
24 MIGHT SAY. SO WE'RE NOT GOING TO BE TAKING ANY ACTION ON  
25 IT THIS TIME. WE'LL BE TAKING DISCUSSION ON IT AND



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1 BRINGING IT BACK TO YOU AT THE NEXT BOARD MEETING FOR THE  
2 ULTIMATE DIRECTION IN TERMS OF WHAT MECHANISMS SHOULD WE  
3 DEVELOP REGULATIONS FOR. SO THAT WILL BE NEXT MONTH  
4 COMING UP.

5 I JUST MIGHT ADD, ALSO, THAT THIS DRAFT  
6 DOCUMENT, NOT ONLY INCLUDES MECHANISMS FOR  
7 CLOSURE/POSTCLOSURE MAINTENANCE, BUT ALSO WE HAVE A  
8 REQUIREMENT TO DEVELOP MECHANISMS FOR OPERATING LIABILITY  
9 FOR LANDFILLS THAT HAVE, PERHAPS, LIABILITY DURING THE  
10 OPERATION OF A LANDFILL. AND SO WE'LL COVER THAT ASPECT  
11 AS WELL. I BELIEVE THE ORDER OF COVERAGE BY OUR  
12 PRESENTER WILL BE SUCH THAT WE'LL BE TALKING ABOUT 2448,  
13 CLOSURE/POSTCLOSURE FIRST.

14 WITH THAT KIND OF A BACKGROUND, I'LL TURN  
15 IT OVER TO THE STAFF. I BELIEVE CAREN IS READY TO  
16 COMMENCE ON THIS.

17 BOARD MEMBER BEAUTROW: I'D LIKE TO MAKE A  
18 COMMENT.

19 VICE CHAIRMAN MOSCONE: MR. BEAUTROW.

20 BOARD MEMBER BEAUTROW: I'D LIKE TO HEAR  
21 SOMEWHERE'S ALONG THE WAY, WHEN YOU GET DONE WITH THIS, IS  
22 SOME KIND OF A FOCUS ON RECOMMENDATIONS BECAUSE ALL I  
23 SEE -- WE JUST GOT IT AND WE HAVEN'T HAD A CHANCE TO  
24 REVIEW IT, BUT HERE'S TEN MECHANISMS; TAKE YOUR PICK. I  
25 DON'T THINK THAT WE -- YOU KNOW, WE NEED SOME ASSISTANCE



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1 AND SOME GUIDANCE AND MAYBE SOME SUGGESTIONS AS  
2 PRIORITIES OR SOME SENSE OF WHAT WE'RE ABOUT HERE, RATHER  
3 THAN A DARTBOARD APPROACH. SO COULD YOU PLEASE, WHEN WE  
4 GET ALL DONE, MAYBE KIND OF PUT THAT INTO PERSPECTIVE?

5 MS. TRGOVCICH: MR. CHAIRMAN AND MEMBERS, THE  
6 REPORT THAT YOU HAVE BEFORE YOU RIGHT NOW, DRAFT  
7 EVALUATION OF FINANCIAL MECHANISMS FOR CLOSURE AND  
8 POSTCLOSURE MAINTENANCE AND FOR OPERATING LIABILITY  
9 CLAIMS, IS A DRAFT REPORT THAT WAS PREPARED BY ICF  
10 INCORPORATED UNDER CONTRACT TO THE BOARD.

11 THIS CONTRACT WAS AWARDED, AS YOU REMEMBER,  
12 LAST NOVEMBER. WE'D LIKE TO, AS MR. IWAHIRO EXPLAINED,  
13 APOLOGIZE PROFUSELY FOR PRESENTING THIS REPORT TO YOU  
14 THIS MORNING. HOWEVER, BECAUSE OF DELAYS AND  
15 COMPLICATIONS IN AWARDING THIS CONTRACT THROUGH THE  
16 PROCESS HERE WITH STATE CONTRACTS, ICF INCORPORATED WAS  
17 NOT ABLE TO BEGIN PREPARATION OF THIS REPORT UNTIL TWO  
18 WEEKS AGO. AND I AM VERY POSITIVE AND WOULD LIKE TO  
19 COMMEND THEM FOR TRYING TO ADHERE TO THE SCHEDULE WHICH  
20 WAS LAID OUT IN THE CONTRACT EVEN THOUGH THEY ARE  
21 CURRENTLY, IN EFFECT, TWO MONTHS BEHIND BECAUSE OF  
22 CONTRACT DELAYS.

23 HOWEVER, THEY ARE MAKING THEIR BEST EFFORT  
24 TO MEET THE DEADLINES IN THE CONTRACT, AND I FEEL THAT  
25 THE DRAFT REPORT THAT THEY HAVE BEFORE YOU TODAY IS A

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1 VERY GOOD BEGINNING.

2 ONCE AGAIN, TO SUMMARIZE THE PROCESS,  
3 BECAUSE OF THE DELAY IN GETTING THIS REPORT TO YOU TODAY,  
4 MR. MICHAEL BERG OF ICF INCORPORATED WILL SUMMARIZE THE  
5 REPORT FOR YOU AND THE VARIOUS MECHANISMS, DISCUSSING THE  
6 ADVANTAGES AND DISADVANTAGES OF THOSE MECHANISMS, TO AID  
7 YOU IN COMING TO SOME SORT OF THE CONCLUSIONS REGARDING  
8 WHICH MECHANISMS SHOULD BE SELECTED FOR REGULATORY  
9 DEVELOPMENT. THE REPORT WILL ATTEMPT TO BRING TOWARDS  
10 YOU INFORMATION REGARDING COSTS, REGARDING PROBLEMS  
11 ASSOCIATED WITH THOSE MECHANISMS.

12 AT THIS MEETING WE WILL PRESENT THE ITEMS  
13 FOR YOUR DISCUSSION ONLY. AT THE NEXT MONTH'S BOARD  
14 MEETING, THIS REPORT WILL COME BACK TO YOU IN A FINAL  
15 FORM AS A FINAL ANALYSIS, INCORPORATING ANY IDEAS THAT  
16 YOU WOULD LIKE TO HAVE FURTHER EXPANDED OR AREAS WHICH  
17 YOU WOULD LIKE TO HAVE FURTHER RESEARCH INTO THE FINAL  
18 VERSION, WHICH WILL BE DISCUSSED AT THE NEXT MEETING, AT  
19 WHICH TIME YOU WILL BE REQUESTED TO SELECT THOSE  
20 MECHANISMS FOR INCORPORATION INTO THE REGULATORY  
21 DEVELOPMENT PROCESS.

22 THE FORM OF THE REPORT, BY DISCUSSING  
23 ADVANTAGES, DISADVANTAGES, AND OTHER AREAS, WILL BE TO  
24 AID YOU IN MAKING THAT SELECTION. AND MR. MICHAEL BERG,  
25 AS WELL AS BOARD STAFF, WILL ATTEMPT TO ANSWER ANY

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1 QUESTIONS THAT YOU HAVE AND TO ILLUMINATE ON THOSE AREAS  
2 WHICH MAY BE UNCLEAR IN ORDER TO COME TO THOSE  
3 CONCLUSIONS.

4 WITH THAT, I'D LIKE TO TURN IT OVER TO MR.  
5 BERG, WHO WILL BEGIN WITH A SUMMARY OF THE REPORT.

6 MR. BERG: THANK YOU, CAREN. MR. CHAIR, MEMBERS  
7 OF THE BOARD, WHAT I'M GOING TO DO IS QUICKLY TRY TO DO  
8 IS SUMMARIZE THE REPORT. IN DOING SO, WE NEED TO KEEP IN  
9 MIND THAT THERE ARE MANY ISSUES CONCERNING FINANCIAL  
10 RESPONSIBILITY THAT WE DON'T WANT TO FOCUS ON TODAY.  
11 RATHER, OUR FOCUS IS WHICH MECHANISMS SHOULD THE BOARD  
12 CHOOSE TO BE ACCEPTABLE.

13 I'LL FIRST GO THROUGH THE MECHANISMS FOR  
14 CLOSURE AND POSTCLOSURE CARE. YOU MAY WANT TO REFER TO  
15 THE SUMMARY EVALUATION. IT STARTS ON PAGE 2 OF THE  
16 HANDOUT.

17 I'M GOING TO FOCUS ON THE THREE CRITERIA  
18 FOR EACH MECHANISM: AVAILABILITY, COST, AND  
19 EFFECTIVENESS, AND ADAPTABILITY FOR CLOSURE AND  
20 POSTCLOSURE CARE. AFTER WE'VE GONE THROUGH THAT TYPE OF  
21 COVERAGE, I'LL TALK ABOUT HOW THE MECHANISMS ARE  
22 DIFFERENT FOR OPERATING LIABILITY. I ENCOURAGE YOU TO  
23 MAKE -- IF YOU'VE GOT ANY QUESTIONS AT ANY TIME DURING MY  
24 PRESENTATION, PLEASE STOP AND ASK ME.

25 THE FIRST MECHANISM IS THE TRUST FUND. THE



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1 TRUST FUND BASICALLY SETS THE STANDARD TO EVALUATE OTHER  
2 MECHANISMS FOR CLOSURE AND POSTCLOSURE. AS THE EASTIN  
3 BILL SAYS, THE BOARD CAN APPROVE THE TRUST FUND AND OTHER  
4 MECHANISMS THAT ARE EQUIVALENT. THE KEY CRITERION FOR  
5 EQUIVALENCY IS EFFECTIVENESS. IS THERE CERTAINTY THAT  
6 FUNDS USED UNDER A PARTICULAR MECHANISM WILL ACTUALLY BE  
7 AVAILABLE WHEN CLOSURE OCCURS?

8 THERE ARE A COUPLE OF MINOR RISKS, EVEN  
9 UNDER THE TRUST FUND, WHICH IS THE MOST EFFECTIVE  
10 MECHANISM. THERE'S THE RISK THAT THE TRUSTEE, WHICH WILL  
11 USUALLY BE A BANK, MAY GO BANKRUPT. IN GENERAL, THAT'S A  
12 RELATIVELY MINOR RISK BECAUSE OF THE REGULATION OF BANKS  
13 AND THE POSSIBILITY THAT THE REGULATIONS COULD RESTRICT  
14 WHICH BANKS CAN ACTUALLY ISSUE TRUST FUNDS. MAYBE ONLY  
15 BANKS THAT PASS A CERTAIN BOND RATING.

16 THE SECOND RISK IN A TRUST FUND IS THAT THE  
17 FUNDS WON'T BE PROPERLY INVESTED AND THAT THE CORPUS OF  
18 THE FUND WILL BE DEPLETED OVER TIME. AGAIN, I THINK  
19 THAT'S A RATHER SMALL RISK BECAUSE OF THE RESTRICTIONS ON  
20 HOW TRUST FUNDS CAN BE INVESTED. SO, IN GENERAL, A TRUST  
21 FUND HAS A HIGH DEGREE OF EFFECTIVENESS.

22 BOARD MEMBER BROWN: MR. CHAIRMAN.

23 VICE CHAIRMAN MOSCONE: MR. BROWN.

24 BOARD MEMBER BROWN: BRIEFLY, HOW HAVE YOU  
25 ADDRESSED THE PROBLEM OF -- PARTICULARLY IN THE PUBLIC

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1 SECTOR, WHERE THOSE TRUST FUNDS MIGHT BE RAIDED BY A  
2 LOCAL GOVERNMENT ENTITY THAT FINDS ITSELF IN GREAT  
3 FINANCIAL STRESS?

4 MR. BERG: IF A TRUST FUND IS THE MECHANISM THAT  
5 THEY USE, CREDITORS -- I DON'T THINK THAT EVENT CAN  
6 HAPPEN BECAUSE A TRUST FUND IS DIFFERENT THAN OTHER  
7 MECHANISMS IN THAT LEGAL TITLE TO THE FUND IS TRANSFERRED  
8 AWAY FROM THE OPERATOR, BE IT PUBLIC OR PRIVATE, TO THE  
9 TRUSTEE. SO THAT MECHANISM IS NOT VULNERABLE TO  
10 INSOLVENCY OR BANKRUPTCY OF A PRIVATE FIRM OR PUBLIC  
11 AGENCY.,

12 BOARD MEMBER BROWN: I'M NOT CONVINCED YET.  
13 OKAY.

14 MR. BERG: WHO WILL BE ABLE TO GET TRUST FUNDS?

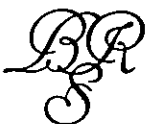
15 FIRST, NOT ALL BANKS ISSUE TRUST FUNDS.  
16 GENERALLY, MOST LARGE BANKS ARE WILLING TO OFFER THAT  
17 SERVICE. A LOT OF SMALL BANKS AREN'T FAMILIAR WITH IT  
18 AND WON'T OFFER THOSE SERVICES, SO THERE'S SOME  
19 LIMITATION IN WHICH BANKS OFFER COVERAGE.

20 SECOND, THERE'S THE COST FACTOR. COSTS ARE  
21 SOMEWHAT HIGH UNDER A TRUST FUND. THE MAIN COST IS THE  
22 COST OF TRUSTEE FEES, WHICH ARE APPROXIMATELY 1 PERCENT  
23 OF THE BALANCE IN THE TRUST FUND PER YEAR. SO IF THERE'S  
24 A TRUST FUND WITH \$500,000 IN IT, THAT WOULD BE A \$5,000  
25 A YEAR CHARGE, WHICH NORMALLY IS -- JUST ISN'T PAID OUT

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1 BY THE PERSON WHO SET IT UP. RATHER, IT'S WITHDRAWN FROM  
2 THE FUNDS IN THE TRUST ITSELF IF THERE'S STILL SUFFICIENT  
3 TO ASSURE THE REQUIRED AMOUNT OF COVERAGE.

4 BOARD MEMBER BEAUTROW: IS THAT AN INDUSTRY  
5 STANDARD.

6 MR. BERG: THE 1 PERCENT? NO. IT DOES VARY.  
7 WE'VE FOUND AS LOW AS .1 PERCENT AND THEN SOME BANKS THAT  
8 ARE HIGHER THAN 1 PERCENT.

9 BOARD MEMBER BEAUTROW: YOU'RE NOT TALKING ABOUT  
10 \$50,000 BUCKS HERE, BELIEVE ME. WE'RE TALKING MILLIONS.

11 MR. BERG: EXCUSE ME. MY EXAMPLE, IF A MILLION  
12 DOLLARS WAS THE BALANCE, THEN UNDER THE 1 PERCENT, THAT  
13 WOULD BE \$10,000 A YEAR IN FEES. SOME BANKS IN  
14 CALIFORNIA, WHERE WE'VE CHECKED, HAVE MINIMUM FEES IN THE  
15 RANGE OF 1500 TO \$4,000; BUT WITH THE LARGE AMOUNTS THAT  
16 WOULD BE IN THE FUNDS, IT WOULD STILL PROBABLY CHARGE AT  
17 THE 1 PERCENT LEVEL RATHER THAN THE MINIMUM FEE.

18 THERE ARE TWO REASONS WHY THE REGULATIONS  
19 SHOULD LAY OUT THE REQUIRED WORDING OF A TRUST FUND. ONE  
20 IS ADMINISTRATIVE. IF THE BOARD AND ITS STAFF RECEIVE  
21 TRUST FUNDS THAT ARE WORDED IN DIFFERENT WAYS FROM  
22 OPERATORS THROUGHOUT THE STATE, IT'S RATHER DIFFICULT TO  
23 DETERMINE WHICH ONES ARE ACCEPTABLE. IT'S A LABOR  
24 INTENSIVE PROCESS.

25 SECOND, BY REQUIRING SPECIFIC WORDING,



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1 OPERATORS THEMSELVES HAVE MORE CERTAINTY THAT THE  
2 MECHANISM IS VALID AND ACCEPTABLE BY THE BOARD. SO, IN  
3 GENERAL, A TRUST FUND WILL BE AVAILABLE FROM LARGE BANKS,  
4 AND IT PROVIDES A HIGH DEGREE OF EFFECTIVENESS.

5 MOVING ON TO THE SECOND MECHANISM, THE  
6 ENTERPRISE FUND, WHICH IS AVAILABLE ONLY FOR PUBLIC  
7 OPERATORS. TYPICALLY AN ENTERPRISE FUND IS SET UP FOR  
8 PARTICULAR ACTIVITIES THAT ARE LARGELY SELF-FINANCING.  
9 IT COULD BE PROVISION OF SEWER, WATER, PARKING  
10 FACILITIES, OR WASTE COLLECTION AND DISPOSAL.

11 AN ENTERPRISE FUND IS REALLY NOT A  
12 FINANCIAL ASSURANCE MECHANISM. IT'S AN ACCOUNTING  
13 MECHANISM. THERE ARE NO REQUIREMENTS, IN GENERAL, THAT  
14 THE FUNDS UNDER AN ENTERPRISE FUND BE SEGREGATED FROM  
15 OTHER FUNDS OF THE LOCAL GOVERNMENT OR DEPOSITED IN ANY  
16 PARTICULAR TRUST OR ACCOUNT.

17 AS A RESULT, THERE'S -- TO MAKE THE  
18 ENTERPRISE FUND AN EQUIVALENT MECHANISM TO A TRUST FUND,  
19 THERE WOULD BE A NEED TO REQUIRE THAT THE FUNDS BE  
20 SEPARATED AND PROBABLY DEPOSITED INTO A TRUST FUND SO  
21 THAT THE FUNDS COULD NOT BE USED FOR ANY OTHER PURPOSES.  
22 SO EITHER THE LOCAL GOVERNMENT COULD TAP THOSE FUNDS IN  
23 TIMES OF FINANCIAL URGENCY, NOR THAT CREDITORS OR  
24 CLAIMANTS AGAINST THE LOCAL GOVERNMENT COULD GET ACCESS  
25 TO THE FUNDS.



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1 THE THIRD SET OF MECHANISMS ARE THE GENERAL  
2 OBLIGATION BONDS, REVENUE BONDS, AND CERTIFICATES OF  
3 PARTICIPATION. IN GENERAL, THESE ARE WAYS FOR LOCAL  
4 GOVERNMENT TO RAISE MONEY.

5 IN GENERAL, NONE OF THESE MEANS PROVIDE  
6 ADEQUATE CERTAINTY THAT FUNDS ARE GOING TO BE AVAILABLE  
7 IF THE BONDS HAVEN'T ALREADY BEEN ISSUED. IF IT'S  
8 EARLIER IN THE PROCESS, VOTER APPROVAL MAY BE REQUIRED.  
9 THERE MAY NOT BE A MARKET TO PURCHASE THE BONDS. AS A  
10 RESULT, I DON'T THINK WE CAN TALK ABOUT THESE MEANS OF  
11 RAISING MONEY AS ASSURANCE MECHANISMS UNTIL THEY'VE  
12 ACTUALLY BEEN ISSUED. THE BONDS HAVE BEEN ISSUED AND  
13 FUNDS HAVE BEEN DEPOSITED WITH THE LOCAL GOVERNMENT.

14 THEN THERE ARE STILL A COUPLE OF OTHER --  
15 THREE OTHER ISSUES THAT MAY ARISE. OKAY. THAT THE LOCAL  
16 GOVERNMENT HAS THE FUNDS. FIRST, ARE WE CERTAIN THAT THE  
17 LOCAL GOVERNMENT CAN ONLY SPEND THOSE FUNDS FOR THE  
18 ASSURED CLOSURE AND POSTCLOSURE COSTS? I'D SAY THE  
19 ANSWER THERE IS PROBABLY YES, THAT THE BOND ISSUANCE CAN  
20 BE WORDED THAT THOSE -- THAT'S THE ONLY WAY THE FUNDS CAN  
21 BE SPENT AND THAT'S A LEGALLY ENFORCEABLE OBLIGATION.

22 THE SECOND ISSUE IS WILL THE FUNDS BE  
23 PROPERLY MANAGED SO THAT THE AMOUNT ISN'T DEPLETED OVER  
24 TIME? I THINK, AGAIN, THERE ARE ADEQUATE PROTECTIONS IN  
25 STATE LAW THAT REQUIRE LOCAL OFFICIALS TO INVEST FUNDS IN

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1 A CONSERVATIVE MANNER.

2 THE THIRD AND MORE DIFFICULT ISSUE IS  
3 PROTECTING THE FUNDS FROM THE CLAIMS OF THE BONDHOLDERS  
4 IN CASE THE LOCAL GOVERNMENT DEFAULTS ON ITS OBLIGATIONS,  
5 ALSO PROTECTING THE FUNDS FROM OTHER THIRD PARTIES WHO  
6 HAVE CLAIMS AGAINST THE LOCAL GOVERNMENT. THERE, I THINK  
7 A KEY ISSUE IS WHETHER THE FUNDS REALLY HAVE TO BE PLACED  
8 INTO A TRUST FUND. BECAUSE WE ONLY HAD TWO WEEKS TO  
9 PREPARE THIS REPORT, RATHER THAN THE TWO AND A HALF  
10 MONTHS WE ANTICIPATED, WE WANT TO DO A LITTLE BIT FURTHER  
11 RESEARCH ON WHETHER A TRUST FUND WOULD ACTUALLY BE NEEDED  
12 TO ASSURE THAT REVENUES FROM BONDS OR A CERTIFICATE OF  
13 PARTICIPATION AREN'T VULNERABLE TO CLAIMS OF THIRD  
14 PARTIES OR BONDHOLDERS.

15 IN TERMS OF AVAILABILITY, IN THE SHORT  
16 TERM, IT TAKES AWHILE TO GO THROUGH A BOND ISSUANCE,  
17 PARTICULARLY WHEN VOTER APPROVAL IS REQUIRED. IN THE  
18 LONGER TERM, IF WE CAN SOLVE THAT THIRD ISSUE OF CLAIMS  
19 BY THIRD PARTIES, THEN MAYBE IT WILL BE AN ACCEPTABLE  
20 MECHANISM.

21 BOARD MEMBER BREMBERG: MR. MOSCONE.

22 VICE CHAIRMAN MOSCONE: MRS. BREMBERG.

23 BOARD MEMBER BREMBERG: UNDER YOUR GENERAL  
24 OBLIGATIONS AND THE VOTER APPROVAL, IF THE PLAN IS  
25 PRESENTED -- THIS IS FOR BILL AND CAREN -- IF THE PLAN IS



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1 PRESENTED AND THE GO BOND IS THE CHOSEN MECHANISM AND THE  
2 VOTERS REJECT THE BOND ISSUE, THEN WHERE DO WE GO? ARE  
3 THEY THEN LOST IN LIMBO? DO THEY HAVE TO GO BACK AND  
4 HAVE AN EMERGENCY PLAN AMENDMENT? HOW WOULD THAT WORK  
5 BECAUSE, I THINK, JUST OFF THE TOP OF MY HEAD, THAT VERY  
6 FEW LOCAL GOVERNMENTS WOULD BE SUCCESSFUL IN A GENERAL  
7 OBLIGATION BOND VOTE FOR CLOSURE/POSTCLOSURE FINANCING.

8 MR. EOWAN: YOU THINK THEY WOULD NOT BE  
9 SUCCESSFUL?

10 BOARD MEMBER BREMBERG: NO. I DON'T THINK THEY  
11 WOULD BE SUCCESSFUL. WATCH MY LIPS, IF I MAY QUOTE OUR  
12 PRESIDENT, "NO NEW TAXES."

13 MS. TRGOVCICH: I THINK THAT ONE OF THE POINTS  
14 THAT MIKE IS BRINGING UP RIGHT HERE -- AND THIS IS  
15 SOMETHING FOR YOUR CONSIDERATION -- IS SHOULD A GO BOND  
16 BE CONSIDERED AS AN ACCEPTABLE MECHANISM PRIOR TO GAINING  
17 THAT VOTER APPROVAL, OR SHOULD IT NOT BE CONSIDERED AN  
18 ACCEPTABLE MECHANISM UNTIL THE CITY, COUNTY, OR OTHERWISE  
19 HAS GONE THROUGH THAT PROCESS, GAINED APPROVAL, AND THE  
20 BONDS HAVE BEEN ISSUED?

21 BOARD MEMBER BREMBERG: THEN YOU'RE BACK TO WHAT  
22 IF THE REST OF THEIR PLAN ISN'T ACCEPTABLE, AND THE  
23 VOTERS HAVE UNDERTAKEN THE FINANCIAL OBLIGATION. SO IF  
24 YOU WAIT UNTIL IT'S BEEN APPROVED, AND THEN IT DOESN'T  
25 PAN OUT, THEY'RE STILL OBLIGATED TO PAY OFF THOSE BONDS?



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1 MR. EOWAN: NO, NOT IF YOU DON'T SPEND THEM.

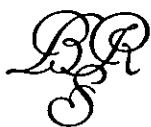
2 THE QUESTION THAT I HAD -- I THINK IT  
3 RELATES TO WHAT QUESTION YOU HAVE -- IS IF IN THE CASE  
4 WHERE VOTERS DID APPROVE GO BONDS UP FRONT, THEN I THINK  
5 IT WOULD BE A FINANCIAL -- I MEAN, THEN IT WOULD BE AN  
6 ACCEPTABLE MECHANISM, WOULD IT NOT? YOU COULD TAKE OR  
7 GET IT FOR THAT PURPOSE.

8 MR. BERG: I THINK AT A MINIMUM VOTER APPROVAL  
9 IS REQUIRED BEFORE IT'S AN ACCEPTABLE MECHANISM. I MIGHT  
10 ALSO GO A STEP FURTHER AND REQUIRE THAT THE BONDS HAVE  
11 ACTUALLY BEEN SOLD.

12 BOARD MEMBER BREMBERG: THAT'S WHAT I HEARD HIM  
13 SAY WAS THE BONDS BE SOLD. THEN YOU ARE UNDER OBLIGATION  
14 TO REPAY THEM.

15 MR. ORR: I THINK THAT THE LANDFILL CLOSING IS  
16 AN EVENTUALITY. IT'S NOT A QUESTION OF WHETHER -- YOU  
17 KNOW, DETAILS OF THE PLAN MAY CHANGE OVER THE YEARS AND  
18 THE COSTS WILL PROBABLY ESCALATE. I WOULD SAY THAT IT'S  
19 POSSIBLE THERE WOULD BE A SERIES OF BOND ISSUES,  
20 CONCEIVABLY, THROUGH TIME. AND SO JUST BECAUSE THE  
21 DETAILS OF A PLAN MAY OR MAY NOT HAVE BEEN APPROVED AT A  
22 GIVEN TIME, THAT DOESN'T MEAN THE NEED FOR SOME AMOUNT OF  
23 MONEY DOESN'T STILL EXIST. SO I THINK THAT THE FACT THAT  
24 THE LANDFILL IS GOING TO CLOSE IS A GIVEN.

25 BOARD MEMBER BREMBERG: SURE, IT IS. BUT THE --



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1 IT'S ALSO PRETTY MUCH OF A GIVEN THAT GO BONDS, SINCE  
2 1978, HAVEN'T BEEN OVERWHELMINGLY ACCEPTED.

3 VICE CHAIRMAN MOSCONE: MR. BROWN.

4 BOARD MEMBER BROWN: I THINK THE SECOND POINT,  
5 ONE THAT BILL RAISES, IS MORE IMPORTANT HERE,  
6 PARTICULARLY IN ANY KIND OF A BOND ISSUANCE, WHETHER THEY  
7 BE COP'S OR GENERAL OBLIGATIONS BONDS. AND THAT IS IS  
8 THAT OUR OBLIGATION TO THE CLOSURE/POSTCLOSURE IS RELATED  
9 TO A SERIES OF YEARS, IS IT NOT, A CERTAIN AMOUNT OF  
10 MONEY HAS TO BE THERE THIS YEAR, A CERTAIN AMOUNT NEXT  
11 YEAR, DEPENDING UPON THE LIFE OF THE FACILITY? SO, YES,  
12 WE MIGHT BE LOOKING AT A SERIES OF ISSUANCES OF BONDS,  
13 WHICH INFINITELY MAKES IT MORE COMPLICATED, IT SEEMS TO  
14 ME.

15 THE OTHER THING WITH RESPECT TO GENERAL  
16 OBLIGATIONS BONDS IS I THINK MOST LOCAL OFFICIALS AREN'T  
17 GOING TO PUT THEIR POLITICAL LIVES ON THE LINE FOR  
18 CLOSURE/POSTCLOSURE. THEY'RE GOING TO DO IT MORE FOR A  
19 TARGETED WE'LL FIX YOUR ROADS OR BUY NEW BUSES OR  
20 WHATEVER. AND SO, PROBABLY, EVEN THOUGH IT BELONGS IN  
21 YOUR PLAN, I'M NOT SURE THAT IT WOULD RATE AS HIGH AS  
22 YOU'VE GOT IT IN A PRACTICAL, REAL WORLD SENSE; BUT,  
23 NONETHELESS, I GREE WITH YOU, HAVING IT THERE. COP'S ARE  
24 PROBABLY MORE WHAT WE'D LOOK AT. AND EVEN THEN IT'S AN  
25 IFFY.



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1 VICE CHAIRMAN MOSCONE: MR. VARNER.

2 BOARD MEMBER VARNER: YOU JUST RAISED A QUESTION  
3 IN MY MIND. I'M NOT AS KNOWLEDGEABLE IN THESE AREAS AND  
4 LES AND GINGER ARE. IF IT REQUIRED A SERIES OF BONDS,  
5 WHAT HAPPENS IF THE VOTERS APPROVE THE FIRST BOND THING  
6 AND THEN REJECTED THE NEXT BUNCH?

7 BOARD MEMBER BROWN: THAT'S WHY I SAY GENERAL  
8 OBLIGATION BONDS PROBABLY ARE NOT THE MECHANISM FOR A  
9 LOCAL GOVERNMENT BECAUSE OF THE INSTABILITY OF VOTER  
10 APPROVAL.

11 MR. BERG: TWO POINTS. THE FIRST ONE IS IF THE  
12 BOARD DEEMS THAT PEOPLE USING BONDS ARE ALLOWED TO BUILD  
13 UP THE AMOUNT OF FUNDS OVER TIME, LIKE WOULD BE  
14 ACCEPTABLE UNDER A TRUST FUND. THEN THE LOCAL GOVERNMENT  
15 COULD ISSUE ONE BOND TO SATISFY AN INITIAL OBLIGATION,  
16 CONTINUE TO TRY AND ISSUE BONDS; IF THEY DON'T, IF  
17 THEY'RE NOT SUCCESSFUL, WHAT THEY WOULD BE REQUIRED TO DO  
18 IS USE ANOTHER MECHANISM, JUST AS SOMEONE WOULD IF THEY  
19 DIDN'T HAVE THE FUNDS TO CONTINUE TO PAY INTO A TRUST  
20 FUNDS, WOULD HAVE TO USE ANOTHER MECHANISM.

21 VICE CHAIRMAN MOSCONE: MR. BEAUTROW.

22 BOARD MEMBER BEAUTROW: AGAIN, THIS IS SOMETHING  
23 THAT I'D LIKE TO GET APPENDED TO THIS DISCUSSION, BUT  
24 WE'RE TALKING RIGHT NOW ABOUT GO BONDS. YOU KNOW,  
25 JANUARY 1ST, ALL OF THE OPERATORS WERE SUPPOSED TO SUBMIT



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1 THIS FINANCIAL MECHANISM AND ALL OF THAT, AND WE GOT  
2 ABOUT 4 FEET OF PAPERWORK. IT'S GOING TO BE VERY  
3 INTERESTING WHEN THIS IS ALL ANALYZED, AND THERE OUGHT TO  
4 BE SOME WAY OF DEMONSTRATING THIS. IF, FOR INSTANCE, ALL  
5 OF THE PUBLIC AGENCIES THAT MADE THESE SUBMITTALS SAID  
6 THAT WE HAD GO BONDS -- WELL, I MEAN, I DON'T KNOW WHAT  
7 THEY HAVE. AND WE DID GET A SUMMARY. BUT SOMEHOW OR  
8 OTHER, WE CERTAINLY OUGHT TO COORDINATE WHAT WE GOT WITH  
9 THE SUGGESTED MECHANISMS HERE SO WE KNOW WHAT THE PEOPLE  
10 OUT THERE ARE THINKING AND DOING AS TO WHAT WE'RE TRYING  
11 TO CREATE. ALL I'M ASKING, SOMEWHERE ALONG THE LINE,  
12 LET'S TRY TO SEE WHAT WE'VE GOT AND COORDINATE IT WITH  
13 THE SUGGESTIONS. THAT'S MY POINT.

14 MS. TRGOVCICH: I'D JUST LIKE TO POINT OUT THAT  
15 WE'RE TRYING TO PROVIDE TO ICF INCORPORATED THE  
16 DOCUMENTATION THAT WE RECEIVE HERE SO THAT THEY WILL BE  
17 AWARE OF WHAT MECHANISMS OPERATORS HAVE UTILIZED FOR  
18 THEIR JANUARY 1ST CERTIFICATION, AND THEY ARE ALSO  
19 GETTING COPIES OF ALL THE WRITTEN COMMENTS THAT WE ARE  
20 RECEIVING AND ANY TELEPHONE CALLS OF IMPORTANCE, BRINGING  
21 UP CERTAIN ELEMENTS THAT THEY CONSIDER ARE BEING  
22 FORWARDED TO ICF AS WELL. SO THEY ARE KEEPING UP ON ALL  
23 THE INFORMATION THAT IS COMING INTO THIS BOARD.

24 BOARD MEMBER BREMBERG: MR. CHAIRMAN.

25 VICE CHAIRMAN MOSCONE: MRS. BREMBERG.



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1 BOARD MEMBER BREMBERG: YOU DID INCORPORATE ALL  
2 OF THE COMMENTS FROM CSAC AND THE LEAGUE OF CITIES AND  
3 THE SPECIAL MEETING THAT WE HAD WHICH INDICATED THAT  
4 CITIES AND COUNTIES ARE VERY LIKELY TO PICK UP THEIR  
5 MARBLES AND DISAPPEAR INTO THE SUNSET, AS A PRIVATE  
6 OPERATOR MIGHT, AND THAT THE ASSETS THAT LOCAL  
7 GOVERNMENTS HAVE CAN CERTAINLY BE A FALLBACK ON THEIR  
8 RESPONSIBILITY TO LOCAL GOVERNMENTS AND COUNTY  
9 GOVERNMENTS.

10 MUNICIPAL GOVERNMENTS AND COUNTY  
11 GOVERNMENTS HAVE ASSETS THAT ARE NOT NECESSARILY  
12 TRANSFERABLE INTO CASH UP FRONT, BUT ARE THERE FOR  
13 MEETING REQUIREMENTS, FINANCIAL REQUIREMENTS. AND I DO  
14 THINK THAT GOVERNMENTS ARE A LOT LESS LIKELY TO DISAPPEAR  
15 FROM SIGHT THAN PRIVATE OPERATORS.

16 MR. ORR: WE HAVE FORWARDED ALL OF THE COPIES  
17 FROM THAT MEETING, THE COMMENTS AND OUR RESPONSES TO THE  
18 COMMENTS TO ICF.

19 BOARD MEMBER BREMBERG: I DIDN'T NECESSARILY  
20 AGREE WITH SOME OF THE RESPONSES, BUT THEN THAT'S ALL  
21 RIGHT. I'M SURE YOU DIDN'T AGREE WITH SOME OF THE  
22 QUESTIONS.

23 MR. BERG: I THINK WE CAN MOVE ON TO ANOTHER  
24 GROUP OF MECHANISMS, LETTERS OF CREDIT AND SURETY BONDS.

25 THESE ARE DIFFERENT THAN THE PREVIOUS SORT.



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1 OF MECHANISMS BECAUSE A THIRD PARTY IS GUARANTEEING TO  
2 PAY IF THE OPERATOR IS UNABLE TO PAY; WHEREAS, THE  
3 PREVIOUS ONES, THE OPERATOR ITSELF WAS THE ONE WHO WAS  
4 ALWAYS PAYING. THERE WAS NO THIRD PARTY INVOLVED.

5 THE RISKS UNDER THESE TWO MECHANISMS.  
6 FIRST, THERE'S THE RISK THAT THE LANDFILL OPERATOR WILL  
7 GO BANKRUPT. WHAT HAPPENS IF AN OPERATOR GOES BANKRUPT  
8 AND THEY'RE USING A LETTER OF CREDIT? I'D SAY, IN THIS  
9 CASE, THE RISK IS COVERED. THE BANK OR SURETY COMPANY  
10 MUST PAY EVEN IF THERE'S BANKRUPTCY. THAT'S BASICALLY  
11 WHAT THE MECHANISMS ARE DESIGNED TO DO. IF THE OPERATOR  
12 IS UNABLE TO PAY, THE BANK OR SURETY IS OBLIGED TO.

13 THE SECOND SORT OF RISK IS THE RISK OF  
14 CANCELLATION. SAY, A BANK'S GOT A LETTER OF CREDIT  
15 THAT'S BEEN ISSUING FOR A FEW YEARS TO A PARTICULAR  
16 OPERATOR AND LOOKS AT THE OPERATOR AND SAYS, "BOY, THEIR  
17 FINANCES ARE IN A MUCH WORSE POSITION NOW THAN THEY USED  
18 TO BE. THEY HAVEN'T SET ASIDE FUNDS TO PAY FOR CLOSURE  
19 AND POSTCLOSURE MAINTENANCE AND THEY DECIDED TO CANCEL.

20 IN THAT CASE, I THINK WE CAN DESIGN THE  
21 MECHANISM IN A WAY THAT PROVIDES -- THAT ELIMINATES THAT  
22 RISK. BASICALLY, IT SAYS IF THE BANK OR SURETY COMPANY  
23 WANTS TO CANCEL, IT HAS TO GIVE ADVANCE NOTICE BOTH TO  
24 THE OPERATOR AND TO THE BOARD. IF, THEN, THE OPERATOR  
25 DOESN'T DEMONSTRATE OTHER TYPES OF COVERAGE THAT ARE

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1 ACCEPTABLE TO THE BOARD BEFORE THE LETTER OF CREDIT  
2 EXPIRES, THE BOARD WILL DRAW ON THAT LETTER OF CREDIT.  
3 IT WILL TELL THE BANK, OKAY, YOU'VE ASSURED THIS  
4 OBLIGATION, THE OPERATOR CAN'T DEMONSTRATE OTHER  
5 COVERAGE, YOU HAVE TO PUT ASIDE THE MONEY NOW. YOU HAVE  
6 TO GIVE US THE FUNDS AND WE'LL STICK IT IN A STANDBY  
7 TRUST FUND. SO I THINK, IN GENERAL, THAT BY DESIGNING  
8 THE MECHANISM THAT WAY, IT WILL ELIMINATE THE RISK OF  
9 CANCELLATION.

10 THE THIRD RISK IS THE RISK THAT A BANK OR A  
11 SURETY COMPANY COULD GO BANKRUPT, AND THE FUNDS THAT THEY  
12 HAVE ASSURED AREN'T AVAILABLE. THIS IS A REAL RISK, BUT  
13 IT'S NOT MUCH DIFFERENT THAN THE RISK UNDER A TRUST FUND.  
14 THERE'S ALWAYS SOME RISK THAT ACCOMPANY. EVEN THOUGH  
15 IT'S UNDER FINANCIAL RESTRICTIONS, IT'S REGULATED BY THE  
16 STATE FEDERAL GOVERNMENT, THERE'S STILL THE UNLIKELY  
17 POSSIBILITY THAT IT WILL GO BANKRUPT.

18 WE TURN TO THE OTHER CRITERIA OF  
19 AVAILABILITY AND COST. LETTERS OF CREDIT ARE AVAILABLE  
20 ONLY TO SOME LARGE FINANCIALLY SOUND FIRMS. SMALL FIRMS  
21 COULDN'T GET A LETTER OF CREDIT BECAUSE THE BANK ISN'T  
22 WILLING TO TAKE THE RISK THAT THE SMALL OPERATOR WILL BE  
23 ABLE TO PAY.

24 SURETIES ARE GENERALLY NOT AVAILABLE.  
25 SURETIES JUST DON'T LIKE TO BET ON THE LIKELIHOOD THAT



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1 THE OPERATOR WILL HAVE THE FUNDS AVAILABLE, PARTICULARLY  
2 GIVEN THE LONG TIME FRAME THAT MAY OCCUR BEFORE CLOSURE.

3 IN TERMS OF EXPENSE, THEY'RE BOTH AT LEAST  
4 AS EXPENSIVE AS A TRUST FUND IN GENERAL. MAYBE IN SOME  
5 CASES, FOR SOME GOOD CUSTOMERS OF A BANK, IT WOULDN'T BE  
6 QUITE AS EXPENSIVE TO HAVE A LETTER OF CREDIT THAN A  
7 TRUST FUND, BUT IN GENERAL MODERATELY TO HIGHLY  
8 EXPENSIVE.

9 THE NEXT TWO MECHANISMS ARE INSURANCE  
10 COVERAGE AND RISK RETENTION GROUP COVERAGE. THESE  
11 MECHANISMS WILL BE AVAILABLE FOR OPERATING LIABILITY, BUT  
12 PROBABLY NOT FOR CLOSURE AND POSTCLOSURE MAINTENANCE.

13 FIRST, WHY WON'T INSURANCE BE AVAILABLE?  
14 FIRST, WE NEED TO DISTINGUISH THE RISK OF CLOSURE AND  
15 POSTCLOSURE CARE FROM THAT OF OPERATING LIABILITY.  
16 OPERATING LIABILITY IS SOMETHING THAT ENSURES NORMALLY --  
17 ADDRESS BECAUSE THERE'S AN UNCERTAIN EVENT THAT MIGHT  
18 OCCUR. IT'S UNCERTAIN WHETHER THE INSURANCE COMPANY WILL  
19 EVENTUALLY HAVE TO PAY.

20 IN CONTRAST, CLOSURE AND POSTCLOSURE  
21 MAINTENANCE ARE CERTAIN EVENTS, ALTHOUGH THEIR TIMING IS  
22 UNPREDICTABLE. SO THE PARALLEL TO CLOSURE/POSTCLOSURE  
23 INSURANCE IS LIFE INSURANCE. THERE'S A BIG DIFFERENCE  
24 BETWEEN THE TWO. LIFE INSURANCE, ON AGGREGATE IT'S EASY  
25 FOR AN INSURANCE COMPANY TO PREDICT ON AVERAGE HOW LONG A



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1 PERSON WILL LIVE. IT'S MUCH MORE DIFFICULT TO PREDICT  
2 WHEN A LANDFILL IS GOING TO CLOSE, PARTICULARLY GIVEN THE  
3 FACT THAT REGULATIONS ARE CHANGING IN THIS AREA.

4 THERE'S A SECOND REASON WHY INSURERS DON'T  
5 WANT TO COVER A CERTAIN ACTIVITY, LIKE CLOSURE OR  
6 POSTCLOSURE MAINTENANCE. AND THAT'S BECAUSE, UNLIKE LIFE  
7 INSURANCE, A PERSON'S NOT LIKELY TO DIE TO TRY TO COLLECT  
8 THE PREMIUM. BUT IT COULD HAVE SOME INCENTIVE TO CLOSE  
9 EARLY SO THEY WON'T HAVE TO CONTINUE TO PAY PREMIUMS, AND  
10 THE INSURER IS RESPONSIBLE FOR PAYING NO MATTER WHEN THEY  
11 CLOSE. SO, IN GENERAL, MY CONCLUSION IS THAT INSURANCE  
12 WILL NOT BE AVAILABLE FOR CLOSURE AND POSTCLOSURE  
13 MAINTENANCE.

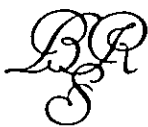
14 THAT BRINGS US TO RISK RETENTION GROUP  
15 COVERAGE, WHICH IS REALLY INSURANCE THAT'S PROVIDED BY  
16 DIFFERENT TYPE OF GROUP. IT'S PROVIDED BY A COLLECTION  
17 OF PEOPLE WHO SHARE THE SAME RISK AND ARE OFFERING  
18 INSURANCE TO THEMSELVES. BUT MY READING OF THE RISK  
19 RETENTION ACT OF 1986 SAYS THAT IT WON'T BE AVAILABLE FOR  
20 CLOSURE AND POSTCLOSURE MAINTENANCE. THAT'S BASED ON THE  
21 FACT THAT THAT ACT ALLOWS RISK RETENTION GROUPS ONLY FOR  
22 INSURING LIABILITY.

23 NOW, SINCE WRITING THIS DRAFT REPORT, IT'S  
24 BEEN BROUGHT TO MY ATTENTION THAT SOME GROUPS HAVE BEEN  
25 CONSIDERING ESTABLISHING RISK RETENTION GROUPS FOR

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1 CLOSURE AND POSTCLOSURE MAINTENANCE. SO IN THE NEXT TWO  
2 WEEKS BEFORE THE REPORT IS REVISED, I WILL BE CONTACTING  
3 THOSE PEOPLE TO GET FURTHER INFORMATION ABOUT RISK  
4 RETENTION GROUP COVERAGE. IF IT WAS AVAILABLE, IT WOULD  
5 GENERALLY BE CONSIDERED AN AN EFFECTIVE MECHANISM, BUT I  
6 CAN ADDRESS THAT IN THE NEXT REPORT.

7 IF THERE ARE NO COMMENTS ON THOSE  
8 MECHANISMS, WE CAN MOVE ON TO THE FINANCIAL MEANS TEST.  
9 I'D LIKE TO COVER THOSE BEFORE THE CORPORATE PARENT  
10 GUARANTEE BECAUSE THE EFFECTIVENESS OF THE GUARANTEE  
11 REALLY DEPENDS ON HOW EFFECTIVE THE FINANCIAL MEANS TESTS  
12 ARE.

13 THE BASIC PREMISE OF A FINANCIAL MEANS TEST  
14 IS THERE ARE MANY FIRMS OR LOCAL AGENCIES THAT CAN PAY  
15 FOR THE ASSURED COSTS. THEY'RE IN GOOD FINANCIAL  
16 CONDITION, THEY'RE SETTING ASIDE FUNDS, OR IT'S OTHERWISE  
17 PRETTY CERTAIN THAT THEY'RE GOING TO BE ABLE TO PAY. SO  
18 WHY HAVE THEM GO TO THE EXPENSE OF PUTTING ASIDE MONEY IN  
19 A TRUST FUND OR USING SOME SORT OF OTHER MECHANISM WHICH  
20 OVER A LONG PERIOD OF TIME CAN BE RATHER EXPENSIVE. SO  
21 THAT'S THE BASIC IDEA OF A FINANCIAL MEANS TEST.

22 BUT THERE'S A SERIOUS TRADE-OFF INVOLVED.  
23 AS THE TEST BECOMES MORE STRICT, IT ACCOMPLISHES ONE OF  
24 THE TWO PURPOSES. IT ENSURES THAT FIRMS THAT PASS THE  
25 TEST WILL ACTUALLY BE ABLE TO PAY. BUT AT THE SAME TIME,

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1 AS THE TEST BECOMES MORE STRICT, IT DEFEATS THE SECOND  
2 OBJECTIVE, WHICH IS SCREENING OUT FIRMS THAT CAN  
3 ACTUALLY -- WILL ACTUALLY BE ABLE TO PAY. IT'S MORE  
4 STRICT. A LOT OF FIRMS THAT REALLY COULD PAY WILL NO  
5 LONGER BE ABLE TO PASS THE TEST. THAT TRADE-OFF HAS BEEN  
6 CONSIDERED BY EPA WHEN IT DEVELOPED THE FINANCIAL MEANS  
7 TEST THAT'S LISTED IN THE GUIDELINES.

8 EPA, BASICALLY, LOOKED AT, OKAY, WE WANT A  
9 CERTAIN LEVEL OF ASSURANCE THAT THEY WON'T GO BANKRUPT.  
10 AND THEN IN ANALYZING ALTERNATIVE PROVISIONS, IT TRIED TO  
11 BALANCE THE PRIVATE COSTS OF ADDED -- THE PRIVATE COSTS  
12 OF GETTING A THIRD PARTY MECHANISM VERSUS THE PUBLIC  
13 COSTS OF HAVING TO PAY FOR CLEANUP IN CLOSURE AND  
14 POSTCLOSURE MAINTENANCE IF THE TEST DOESN'T PREDICT  
15 ACCURATELY.

16 THERE HAVE BEEN CRITICISMS OF THE EPA TEST,  
17 WHICH WAS DEVELOPED BACK IN 1981, ON BOTH SIDES. THERE  
18 HAVE BEEN SOME THAT SAY IT'S TOO LAX, THAT THERE'S SOME  
19 PERSONS -- SOME FIRMS THAT CAN PASS THE TEST THAT REALLY  
20 AREN'T ABLE TO PAY. ON THE OTHER SIDE, MANY COMPANIES IN  
21 INDUSTRY ARE SAYING THAT THE TEST IS TOO STRINGENT, THAT  
22 THERE ARE MANY FINANCIALLY SOUND FIRMS THAT ARE NOT ABLE  
23 TO PASS IT.

24 ONE OF THE MAIN ARGUMENTS IS THE TEST  
25 DISCRIMINATES AGAINST RELATIVELY SMALL FIRMS THAT MAY NOT



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1 NOT BE ABLE TO MEET THE \$10 MILLION NET WORTH  
2 REQUIREMENT, BUT ARE ACTUALLY VERY FINANCIALLY SOUND.

3 THE ISSUES ARE A LITTLE BIT DIFFERENT FOR A  
4 FINANCIAL MEANS TEST FOR PUBLIC AGENCIES. FIRST, PUBLIC  
5 AGENCIES RUN THEIR ACCOUNTING IN A MUCH DIFFERENT MANNER  
6 THAN PRIVATE FIRMS. THAT BASICALLY MEANS THAT THE TEST  
7 DEVELOPED FOR PRIVATE FIRMS GENERALLY DOES NOT APPLY TO  
8 LOCAL AGENCIES. SO, BASICALLY, A NEW TEST NEEDS TO BE  
9 DEVELOPED. THERE IS CURRENTLY NO SUCH TEST.

10 THE U.S. ENVIRONMENTAL PROTECTION AGENCY IS  
11 INVESTIGATING TRYING TO DEVELOP A TEST, BUT HAS NOT COME  
12 UP WITH ANY PROPOSAL YET. ONE OF THE DIFFICULTIES IN  
13 DEVELOPING A TEST IS, IN ADDITION TO ASSURING THAT THE  
14 LOCAL AGENCY HAS THE ABILITY TO PAY, IS THAT THEY'VE GOT  
15 THE INSTITUTIONAL WILLINGNESS TO PAY, THAT THERE AREN'T  
16 CONSTRAINTS ON THEIR PAYMENT.

17 FOR EXAMPLE, THAT THERE AREN'T LIMITS ON  
18 SPENDING AND TAXING AUTHORITY, THAT THEY DON'T HAVE OTHER  
19 PRIORITIES THAT THEY WOULD RATHER SPEND THEIR FUNDS ON.  
20 AND SO THAT'S ONE OF THE INHERENT DIFFICULTIES IN  
21 DEVELOPING ANY FINANCIAL MEANS TEST FOR PUBLIC AGENCIES.

22 IN CONCLUSION, WITH THE PUBLIC MEANS TEST,  
23 IT'S NOT AVAILABLE IN THE SHORT TERM. CONSIDERABLE TIME  
24 AND RESOURCES WOULD BE NEEDED TO DEVELOP SUCH A TEST.  
25 AND EVEN IF IT WAS DEVELOPED, THERE WOULD STILL BE

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1 SUBSTANTIAL UNCERTAINTY ABOUT HOW EFFECTIVE IT IS BECAUSE  
2 IT WOULD BE NEW AND UNTRIED. THAT CAN BE REDUCED  
3 SOMEWHAT BY DETAILED ANALYSIS, BUT, IN GENERAL, THAT  
4 MECHANISM WOULD HAVE THE LEAST CERTAINTY OF EFFECTIVENESS  
5 OF ALL THE MECHANISMS.

6 FINALLY, THE CORPORATE PARENT GUARANTEE FOR  
7 CLOSURE AND POSTCLOSURE MAINTENANCE. UNDER THE  
8 MECHANISM, THE CORPORATE PARENT PROMISES THAT IF ITS  
9 SUBSIDIARY IS UNABLE OR UNWILLING TO PAY FOR ASSURED  
10 COSTS, THAT THE PARENT WILL PAY. TO ASSURE THAT THE  
11 PARENT ITSELF HAS THE ABILITY TO PAY, IT'S REQUIRED TO  
12 PASS THE FINANCIAL MEANS TEST. IN GENERAL, THIS IS A  
13 LOW-COST MECHANISM, BUT IT'S ONLY AVAILABLE TO  
14 SUBSIDIARIES THAT HAVE A LARGE CORPORATE PARENT, AND THAT  
15 THAT CORPORATE PARENT IS ACTUALLY WILLING TO ISSUE A  
16 GUARANTEE.

17 THERE ARE A COUPLE SORTS OF RISKS UNDER A  
18 PARENT GUARANTEE. FIRST THERE'S A RISK THAT PRIOR TO  
19 CLOSURE THE PARENT, WHO HAD BEEN PASSING THE TEST IN THE  
20 PAST, NOW ISN'T ABLE TO PASS IT. SO THEY HAVE TO CANCEL  
21 THE MECHANISM. IF THEY CANCEL IT, WILL THE SUBSIDIARY  
22 OPERATOR BE ABLE TO DEMONSTRATE OTHER COVERAGE?

23 WELL, THE SOLUTION OR A PARTIAL SOLUTION IS  
24 TO SAY, "WELL, IF THE PARENT TRIES TO CANCEL, JUST LIKE  
25 IF A BANK OR SURETY COMPANY TRIES TO CANCEL, LET'S MAKE



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1 THE PARENT SET ASIDE THE ASSURED FUNDS INTO A STANDBY  
2 TRUST FUND." THERE'S STILL A PARTIAL RISK UNDER THAT  
3 THAT, EVEN THOUGH THEY PASSED THE FINANCIAL TEST IN THE  
4 PAST, THE CORPORATE PARENT, THEIR FINANCIAL CONDITION HAS  
5 DETERIORATED SO RAPIDLY, THAT THEY DON'T HAVE MONEY  
6 AVAILABLE TO PAY FOR -- TO SET ASIDE THE FUNDS AT THAT  
7 TIME.

8 STILL IN THIS SITUATION THE CORPORATE  
9 PARENT GUARANTEE IS SLIGHTLY STRONGER THAN THE FINANCIAL  
10 TEST. THE REASON IS IS WE'VE GOT A THIRD PARTY ON THE  
11 HOOK AS WELL AS THE OPERATOR. THAT WAS THE RISK, WHAT  
12 MIGHT HAPPEN PRIOR TO CLOSURE.

13 THERE'S A SECOND RISK THAT AT THE TIME OF  
14 CLOSURE AN OPERATOR WHO'S USED A PARENT GUARANTEE IS  
15 UNABLE TO PAY, SO IT'S TIME TO DRAW ON THE GUARANTEE.  
16 THE RISK HERE IS THAT THE FINANCIAL TEST JUST WASN'T A  
17 GOOD PREDICTOR AT ALL, AND THE CORPORATE PARENT DOESN'T  
18 HAVE THE MONEY. THIS RISK, AGAIN, IS SLIGHTLY LOWER THAN  
19 UNDER A FINANCIAL TEST BECAUSE, IN MOST CASES WHERE AN  
20 OPERATOR CAN'T PAY, THE CORPORATE PARENT WILL BE ABLE TO  
21 PAY. THE FINANCIAL TEST IS MAYBE A DECENT PREDICTIVE  
22 INDICATOR OF ABILITY TO PAY.

23 SO THOSE ARE ALL THE MECHANISMS FOR CLOSURE  
24 AND POSTCLOSURE MAINTENANCE LIABILITY. IF YOU WOULD LIKE  
25 ME TO, I COULD KIND OF SUMMARIZE WHICH MECHANISMS I THINK

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1 THE BOARD SHOULD CONSIDER AS EFFECTIVE -- AS EQUIVALENT  
2 TO A TRUST FUND.

3 FIRST, UNDER CERTAIN CONDITIONS, BONDS  
4 MIGHT BE, BUT THEY'RE NOT LIKELY TO BE USED, PARTICULARLY  
5 IN THE SHORT RUN, SO I'M NOT CERTAIN IF IT'S WORTH THE  
6 EFFORT OF THE BOARD AND THE STAFF TO REQUIRE LANGUAGE AND  
7 REGULATIONS TO BE DEVELOPED FOR BONDS TO BE USABLE.

8 ENTERPRISE FUND, CONTRARY TO THE INITIAL  
9 GUIDELINES, TO ME, DOESN'T SEEM REALLY LIKE A FINANCIAL  
10 ASSURANCE MECHANISM. IT'S MAINLY AN ACCOUNTING DEVICE,  
11 AND THERE'S -- BASICALLY SOMEONE -- LOCAL GOVERNMENT  
12 OPERATING UNDER AN ENTERPRISE FUND WOULD NEED TO USE A  
13 TRUST FUND TO PROVIDE ADEQUATE ASSURANCE.

14 I THINK THE LETTER OF CREDIT AND SURETY  
15 BONDS ARE ADEQUATELY EFFECTIVE. THEY CAN BE CONSIDERED  
16 EQUIVALENT TO A TRUST FUND. LETTER OF CREDIT WILL BE  
17 AVAILABLE TO LARGE COMPANIES AND THEY'RE LIKELY TO USE  
18 IT. SURETY BONDS AREN'T LIKELY TO BE AVAILABLE.

19 CORPORATE GUARANTEES, IT'S A REAL JUDGMENT  
20 CALL FOR THE BOARD THERE, WHETHER YOU'RE CONFIDENT ENOUGH  
21 IN THE PREDICTIVE VALUE OF THE FINANCIAL MEANS TEST.  
22 SIMILARLY, THE PRIVATE FINANCIAL MEANS TEST. IT'S A  
23 JUDGMENT CALL BY THE BOARD. AND PROBABLY THE -- THE  
24 MECHANISM THAT THE BOARD CAN BE LEAST CERTAIN WILL BE  
25 EFFECTIVE IS THE PUBLIC FINANCIAL MEANS TEST IN LARGE

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1 PART BECAUSE THERE CURRENTLY IS NO SUCH MECHANISM.

2 BOARD MEMBER BROWN: MR. CHAIRMAN.

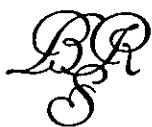
3 VICE CHAIRMAN MOSCONE: MR. BROWN.

4 BOARD MEMBER BROWN: I HAVEN'T HEARD ANYTHING  
5 THAT'S GOING TO WORK, WITH ALL DUE RESPECT.

6 I, FROM THE BEGINNING, HAD THE THOUGHT  
7 GOING AROUND IN THE BACK OF MY HEAD THAT MAYBE WHERE SOME  
8 DEGREE OF PRACTICALITY LANDS IN THIS WHOLE ISSUE WOULD BE  
9 SOME CREATIVE THINKING SOMEWHERE THAT WOULD ALLOW A  
10 COMBINATION OF THINGS TO HAPPEN. MAYBE WE COULD COMBINE  
11 SOME OF THESE THINGS TO ALLOW FOR A SHORT RUN, ULTIMATELY  
12 CONVERTING ONE MECHANISM INTO ANOTHER FOR THE FINAL LONG  
13 TERM.

14 I'M THROWING OUT A LOT OF GENERALITIES HERE  
15 BECAUSE I DON'T REALLY KNOW HOW THAT WOULD EVEN WORK, BUT  
16 IT SEEMS TO ME LIKE, BECAUSE OF THE LENGTH OF TIME WE'RE  
17 TRYING TO INSURE FOR, IN SOME CASES VERY LONG AND SOME  
18 CASES SHORT. SHORT'S EASY, NOT WITH RESPECT TO THE TOTAL  
19 AMOUNT POSSIBLY, BUT AT LEAST AS FAR AS PICKING OUT ONE  
20 OF THESE BECAUSE YOU'RE NOT RUNNING A LONG-TERM RISK.

21 IN SOME OF THE CASES WE'RE GOING TO SEE A  
22 VERY LONG TERM WHERE WE'RE TALKING ABOUT ENSURING THESE  
23 COSTS. AND I JUST WONDERING IF THERE ISN'T SOME WAY TO  
24 MAYBE COMBINE SOME OF THESE MECHANISMS TO GIVE YOU A  
25 SHORT RUN PLUS AN EVENTUAL LONG TERM AND YOU MIGHT



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1 EXPLORE THOSE.

2 MR. BERG: IN GENERAL, COMBINATIONS WILL WORK  
3 JUST FINE AMONG ANY MECHANISMS THAT ARE EQUIVALENT. A  
4 COMBINATION OF A TRUST FUND FOR CERTAIN FUNDS, A CERTAIN  
5 AMOUNT, GETTING A BANK TO ISSUE A LETTER OF CREDIT FOR  
6 ADDITIONAL FUNDS, THAT'S A PERFECTLY ACCEPTABLE  
7 MECHANISM, THAT COMBINATION.

8 I THINK IT'S IMPORTANT TO LOOK AT THE  
9 FINANCIAL RESPONSIBILITY REGULATIONS UNDER OTHER  
10 ENVIRONMENTAL PROGRAMS. ALTHOUGH THE ENVIRONMENTAL RISKS  
11 AND ISSUES ARE DIFFERENT, ALTHOUGH THE REGULATED  
12 COMMUNITY IS DIFFERENT, THE FINANCIAL MECHANISMS WORK IN  
13 EXACTLY THE SAME WAY.

14 THE CLOSEST PARALLEL IS PROBABLY THE  
15 HAZARDOUS WASTE FINANCIAL RESPONSIBILITY REGULATIONS.  
16 UNDER THOSE, THE MECHANISMS THAT ARE PRIMARILY USED BY  
17 OWNERS AND OPERATORS ARE THE TRUST FUND, THE FINANCIAL  
18 TEST, AND THE LETTER OF CREDIT. NEXT, INSURANCE IS ALSO  
19 ALLOWABLE, BUT I DON'T THINK IT'S BEING USED. THERE MAY  
20 BE A FEW SURETY BONDS THAT ARE ISSUED, BUT NEXT TO NONE.  
21 THE CORPORATE PARENT GUARANTEE IS ALSO ALLOWED.

22 IF OTHER PEOPLE HAVE COMMENTS ON PARTICULAR  
23 MECHANISMS THAT THEY THINK MIGHT WORK, WE'RE MORE THAN  
24 WILLING TO INVESTIGATE THEM, BUT IN ICF -- I THINK WE'VE  
25 HAD NINE YEARS OF EXPERIENCE IN FINANCIAL RESPONSIBILITY.



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1 IN GENERAL, THESE ARE THE MECHANISMS THAT WE FIND ARE  
2 ACCEPTABLE AFTER SOME EXPERIENCE IN BEING USED.

3 VICE CHAIRMAN MOSCONE: MR. BEAUTROW.

4 BOARD MEMBER BEAUTROW: AGAIN, IT'S GOING TO BE  
5 INTERESTING TO COMPARE WHAT YOU SAID, WHICH NARROWED IT  
6 DOWN INTO REALLY TWO CHOICES, TO WHAT WE GOT JANUARY 1ST.

7 MR. EOWAN: WELL, WHAT WE GOT JANUARY 1ST IS  
8 GENERAL, AND YOU'RE NOT REQUIRED TO MAKE A DECISION ON  
9 THE ACCEPTABILITY OF THAT MECHANISM REALLY UNTIL WE  
10 FINISH WITH OUR REGULATIONS IN THE AREA. SO WE'RE IN  
11 THAT PERIOD OF TIME NOW WHERE WE'RE CATALOGING WHAT WE  
12 GOT AND WHAT WE DID NOT RECEIVE. AND THEN, YOU KNOW,  
13 SYSTEMATICALLY GOING THROUGH THE VARIOUS OPTIONS THAT WE  
14 CAN EVENTUALLY PRESENT TO YOU AS ACCEPTABLE MECHANISMS,  
15 ETC.

16 YOU KNOW, WE'VE HEARD A LOT ABOUT -- THIS  
17 MORE TO YOUR POINT, MR. BROWN -- FROM LOCAL GOVERNMENT  
18 ABOUT THE DIFFICULTY OF EMPLOYING VARIOUS MECHANISMS.  
19 BUT, AT LEAST, I HAVEN'T HEARD AS MUCH FROM PRIVATE  
20 INDUSTRY ON THE SUBJECT, AND I'M CURIOUS ABOUT THAT. I  
21 DON'T KNOW IF ANY OF THE BOARD MEMBERS HAVE HEARD  
22 ANYTHING ON IT.

23 IT SEEMS TO ME THAT, GENERALLY, THERE'S A  
24 LOT OF CONCERN FROM LOCAL GOVERNMENT ABOUT HOW TO COMPLY  
25 WITH THIS AND SORT OF SILENCE FROM PRIVATE OPERATORS OR



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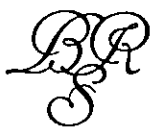
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1 PRIVATE OWNERS. I DON'T KNOW IF THAT'S A QUESTION OR A  
2 STATEMENT. IT'S MY OBSERVATION THAT THAT'S WHAT'S  
3 HAPPENING RIGHT NOW. AND WE'VE TRIED OUR HARDEST TO GET  
4 THE MESSAGE OUT THAT WE'RE MOVING ALONG HERE, AND WE'D  
5 SURE LIKE TO HAVE AS MUCH INPUT AS WE POSSIBLY CAN BEFORE  
6 WE GET TO THE DAY WHEN WE'RE DONE TALKING ABOUT IT AND  
7 READY TO DO IT.

8 BOARD MEMBER BEAUTROW: WE WERE DISCUSSING THIS  
9 AMONG OURSELVES EARLIER, AND WE -- QUITE FRANKLY, I'M  
10 SURPRISED, AND I HOPE THAT THERE'S NOT AN AVALANCHE AT  
11 THE END HERE. WE'RE DOING THINGS THAT ARE REALLY  
12 IMPORTANT AND CAN REFLECT SIGNIFICANT COST AND CHANGES IN  
13 THE WAY PEOPLE DO THINGS. AND I DON'T SEE -- WE,  
14 OBVIOUSLY, HAVE PUBLICIZED IT, BUT I DON'T SEE AN  
15 OVERWHELMING INTEREST.

16 MR. EOWAN: YEAH. I THINK WE'RE -- WE HAVE GOOD  
17 DIALOGUE GOING WITH LOCAL GOVERNMENT; THAT IS, WE TALKED  
18 A LOT ABOUT THESE KINDS OF MECHANISMS AND THE PROBLEMS.  
19 I THINK WE PROBABLY WILL DO MORE OF THAT. WE HAVEN'T --  
20 BILL HAS BEEN DOING IT MORE THAN I HAVE. HE MAY KNOW  
21 MORE ABOUT THAT. WE REALLY HAVEN'T HAD THE SAME LEVEL OF  
22 PARTICIPATION FROM PRIVATE INDUSTRY ON THESE SAME  
23 QUESTIONS. WHAT'S YOUR OBSERVATION?

24 MR. ORR: WELL, IN TERMS OF THE KIND OF  
25 QUESTIONS THAT WE'VE BEEN RECEIVING FROM PRIVATE



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1 INSTITUTIONS OR ORGANIZATIONS OR ENTITIES, IT'S BEEN  
2 DIFFERENT NATURE OF QUESTIONS. IT'S NOT SO MUCH AS TO  
3 WHETHER THEY CAN OBTAIN A CERTAIN MECHANISM, BUT, RATHER,  
4 HOW TO GO ABOUT DOING IT.

5 WE RECEIVED A NUMBER OF INQUIRIES FROM  
6 PRIVATE COMPANIES WANTING TO KNOW HOW TO -- HOW WE WANT  
7 THE LETTER OF CREDIT WORDED, HOW WE WANT A SURETY BOND  
8 WORDED TO HAVE A BENEFICIARY AND SO FORTH, HOW TO MAKE  
9 THE MECHANISMS WORK TO PROVIDE THE KIND OF ASSURANCES  
10 THAT WE'RE LOOKING FOR, AND HAVE SOME COMMENTS ABOUT  
11 HOW -- WHEN THINGS SHOULD BE REQUIRED AND WHETHER A  
12 COMPANY IS BIG ENOUGH.

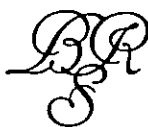
13 IT HASN'T BEEN SO MUCH WE CAN'T OBTAIN A  
14 MECHANISM EXCEPT IN CERTAIN CASES THEY MAY FIND THAT,  
15 SAY, THE NORMAL BANK THAT THEY BANK WITH DOESN'T DO TRUST  
16 FUNDS ANYMORE, FOR EXAMPLE, SO THEY MAY HAVE TO SEARCH  
17 OUT ANOTHER BANK THAT DOES TRUST FUNDS. I WOULD SAY THAT  
18 THEY TEND TO BE MORE PRACTICAL RATHER THAN PHILOSOPHICAL  
19 QUESTIONS ABOUT THE MECHANISMS.

20 A LOT OF THE PRIVATE ORGANIZATIONS HAVE  
21 HAD, IN THE COURSE OF DOING OTHER TYPES OF BUSINESS, HAD  
22 TO COME UP WITH ASSURANCE MECHANISMS. SO I THINK THAT  
23 THEY MAY BE MORE FAMILIAR WITH HAVING TO GO THROUGH THIS  
24 KIND OF PROCESS. FOR EXAMPLE, ONE OF THE BIG DIFFERENCES  
25 BETWEEN THE MUNICIPAL SOLID WASTE-TYPE LANDFILLS AND THE

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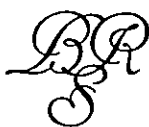
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1 HAZARDOUS WASTE FACILITIES IS THE OWNERSHIP AND OPERATION  
2 OF THOSE BY PUBLIC ENTITIES.

3 PRIMARILY, THE HAZARDOUS WASTE COMPANIES  
4 ARE PRIVATE. THERE ARE VERY FEW MUNICIPALITIES OR  
5 COUNTIES THAT ARE IN THE BUSINESS OF OPERATING HAZARDOUS  
6 WASTE LANDFILLS, BUT THAT'S NOT THE CASE WITH THE  
7 MUNICIPAL SOLID WASTE. OTHER COMPANIES THAT OPERATE  
8 SOLID WASTE LANDFILLS IN CALIFORNIA ARE RELATED TO OIL  
9 FIELD OPERATIONS, AND SO WE'VE HAD A NUMBER OF INQUIRIES  
10 FROM OIL COMPANIES THAT MAY HAVE TO PUT UP SOME KIND OF  
11 BONDS AND SO FORTH DURING THE NORMAL COURSE OF BUSINESS  
12 RELATED TO THEIR OIL FIELD OPERATIONS FOR OTHER AGENCIES.

13 SO THOSE ARE THE KINDS OF THINGS THAT WE'VE  
14 RECEIVED INQUIRIES REGARDING FROM THE PRIVATE COMPANIES.  
15 IT HASN'T BEEN SO MUCH STEPPING BACK FROM IT AND SAYING,  
16 "WELL, IS THIS MECHANISM GENERALLY AVAILABLE, OR CAN WE  
17 THINK OF SOMETHING ELSE?" THEY SEEM MORE WILLING TO LIVE  
18 WITH THE GENERALLY ACCEPTED MECHANISMS. IT'S JUST A  
19 MATTER OF IRONING OUT THE DETAILS ON HOW TO MAKE IT WORK  
20 FOR THIS TYPE OF ASSURANCE.

21 VICE CHAIRMAN MOSCONE: UNDER ITEM 14 ON OUR  
22 AGENDA, WE HAVE THIS PIE WITH THE INITIAL FINANCIAL  
23 MECHANISMS SELECTED BY I DON'T KNOW HOW MANY -- I'VE  
24 FORGOTTEN HOW MANY PEOPLE, AND IT'S PREDOMINANTLY, AT  
25 LEAST THOSE WHO HAVE SUBMITTED, 50 PERCENT ENTERPRISE



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1 FUND, 25 ALMOST 26 PERCENT TRUST FUND, AND A VERY SMALL  
2 PERCENTAGEWISE ON THESE OTHER MEANS. AND IT LOOKS LIKE  
3 WE COULD HAVE COMBINED THESE TWO ITEMS INTO ONE OR  
4 INTEGRATED THEM.

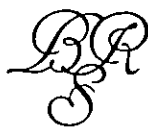
5 MR. EOWAN: FOR PURPOSES OF DISCUSSION TODAY,  
6 YOU MEAN? YES, I THINK YOU'RE RIGHT. WHEN I GAVE YOU --  
7 THIS MORNING THE LIST OF TOPICS TO BE HEARD TODAY, I  
8 MISSED THAT. I THINK BOTH 13 AND 14 COULD FOLLOW THE  
9 MORNING'S DISCUSSION, LOGICALLY, AND WE WOULD BE HAPPY  
10 AND BE READY TO DO THAT IF YOU WANTED TO DO IT.

11 VICE CHAIRMAN MOSCONE: I KNOW I WAS GOING  
12 THROUGH AND TRYING TO LISTEN AND TRYING TO FIND WHERE I  
13 FOUND THIS PIE, AND I DISCOVERED FINALLY THAT IT WAS IN  
14 14.

15 MR. EOWAN: I THINK THAT'S A GOOD POINT. SORRY  
16 TO OVERLOOK THAT WHEN I GAVE THAT TO YOU THIS MORNING.

17 MS. TRGOVCICH: I'D ALSO LIKE TO POINT OUT THAT  
18 MANY DISCUSSIONS THAT I HAVE HAD WITH PUBLIC OPERATORS,  
19 THE -- MANY OF THE SMALLER COMMUNITIES -- AND THIS MAY  
20 NOT BE PLEASANT TO HEAR -- BUT ARE RELATIVELY UNAWARE, SO  
21 THEY SAY, OF THE REQUIREMENTS. AND IT SEEMS AS IF IT  
22 WILL TAKE THE PROMULGATION OF REGULATIONS TO BRING THEM  
23 INTO THE FOLD, TO PLACE BEFORE THEM THE ACTUAL REGULATORY  
24 REQUIREMENTS FOR COMING UP WITH SOME OF THESE MECHANISMS.

25 THE MAJORITY OF THE PHONE CALLS THAT I HAVE



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1 HAD IN THE PAST, AND I'VE HAD QUITE A FEW, WITH PUBLIC  
2 OPERATORS HAVE BEEN ON THE LINE THAT OUR CITY COUNCIL,  
3 BOARD OF SUPERVISORS, ETC. ARE NOT CONSIDERING THIS ISSUE  
4 RIGHT NOW AND, IN FACT, WILL PROBABLY NOT CONSIDER THIS  
5 ISSUE FOR SOME TIME TO COME.

6 AND I THINK WITH PUBLIC OPERATORS IN THE  
7 SMALLER COMMUNITIES, THAT YOU MAY FIND THAT IT'S GOING TO  
8 TAKE SOME TIME TO GET THE WORD OUT. YOU'D THINK THAT WE  
9 HAD ALREADY GOTTEN THE WORD OUT; BUT BECAUSE OF THE  
10 MONETARY PROBLEMS WHICH MANY OF THESE COMMUNITIES ARE  
11 EXPERIENCING, THIS IS NOT ONE OF THE PRIORITIES, AND IT  
12 WILL TAKE SOME TIME, AT LEAST AS FAR AS THEY BELIEVE, IN  
13 ORDER TO ESTABLISH A MECHANISM.

14 BOARD MEMBER BREMBERG: MR. CHAIRMAN.

15 VICE CHAIRMAN MOSCONE: MRS. BREMBERG.

16 BOARD MEMBER BREMBERG: CAREN, DID THE SMALLER  
17 COMMUNITIES THAT YOU SAY PROFESS NOT TO KNOW ANYTHING  
18 ABOUT THIS, WHEN THEY WERE NOTIFIED OF THE POTENTIAL AND  
19 SO FORTH, AND SO ON, DID THEY CALL IMMEDIATELY OR WAIT  
20 UNTIL THE DEADLINE OR WHEN THE DEADLINE HAD PASSED TO  
21 SUDDENLY GET RELIGION AND RECOGNIZE THAT THEY HAD BEEN  
22 NOTIFIED AND HAD TO DO SOMETHING?

23 MS. TRGOVCICH: I CAN ONLY SPEAK UP UNTIL  
24 NOVEMBER, BUT AT THAT POINT --

25 BOARD MEMBER BREMBERG: TAKE IT UP TO NOVEMBER.

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*barristers'*  
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1 BILL, TAKE IT AFTER THAT.

2 MS. TRGOVCICH: AT THAT POINT I HAD RECEIVED  
3 MANY, MANY PHONE CALLS FROM STAFF PEOPLE WHO HAD SOMEHOW  
4 RECEIVED A COPY OF, LET'S SAY, THE GUIDELINE DOCUMENT VIA  
5 THEIR SUPERVISOR, WHO RECEIVED IT FROM ANOTHER  
6 SUPERVISOR, WHO RECEIVED IT FROM ANOTHER SUPERVISOR WITH  
7 A NOTE ATTACHED, LOOK INTO THIS. I WOULD SAY THE  
8 MAJORITY OF THE PHONE CALLS WERE ON THAT LINE.

9 SO WE FINALLY HAD THE STAFF PERSON AT THE  
10 BOTTOM OF THE TOTUM POLE CALLING UP, FINDING OUT THAT  
11 THEY HAD TO SET ASIDE MILLIONS OF DOLLARS. AND I'D HATE  
12 TO THINK ABOUT THE PROCESS THAT IT WOULD TAKE FOR THAT  
13 STAFF PERSON TO RELAY THIS INFORMATION ON UP THE LINE TO  
14 WHERE IT WOULD BE CONSIDERED AND SOME ACTION WOULD BE  
15 TAKEN.

16 BOARD MEMBER BREMBERG: WOULD -- DID WE MAKE A  
17 JUDGMENT THAT WAS PERHAPS INCORRECT OR INADEQUATE BY  
18 MAILING IT TO ELECTED OFFICIALS AS OPPOSED TO THE PEOPLE  
19 DIRECTLY RESPONSIBLE FOR IMPLEMENTING IT, OR SHOULD IT  
20 HAVE BEEN A DUPLICATION?

21 MS. TRGOVCICH: THE MAILING WENT TO ALL  
22 OPERATORS AND ALL LOCAL ENFORCEMENT AGENCIES.

23 BOARD MEMBER BREMBERG: SEE, I'M JUST RELATING  
24 IN A VERY PAROCHIAL WAY. L.A. COUNTY SAN DISTRICT IS OUR  
25 OPERATOR, BUT WE ARE THE OWNERS. NOW, WE HAVE A VERY



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1 GOOD RELATIONSHIP AND WORK TOGETHER VERY WELL BECAUSE  
2 THEY'RE THE EXPERTS AND WE'VE GOT THE LAND. I MEAN, YOU  
3 KNOW, IT WORKS OUT THAT WAY. BUT IN ANOTHER CASE, IF IT  
4 WENT TO A SUPERVISOR WHOSE PRIMARY INTEREST WAS ROADS AND  
5 BRIDGES, I CAN SEE VERY CLEARLY THAT IT WOULD JUST GET  
6 SHOVED ASIDE, AND THE SAME THING WOULD HAPPEN IF IT CAME  
7 TO SOMEBODY ON A LOCAL COUNCIL WHO REALLY DIDN'T  
8 UNDERSTAND OR CARE ABOUT THE OPERATION OF A LANDFILL.  
9 WOULD THEY PASS IT ON? SHOULD IT HAVE GONE TO SOMEBODY  
10 ON THE STAFF IN THE COMMUNITY? SHOULD WE NOW, AGAIN,  
11 MAYBE MAIL OUT TO SOME OF THE STAFF WHO ACTUALLY ARE THE  
12 EXPERTS AND HAVE TO DO THE WORK, AND THE OTHER PEOPLE ARE  
13 JUST KIND OF NEBULOUS POLICY MAKERS IN A LOT OF THESE  
14 COMMUNITIES. SOME OF THE VERY SMALL COMMUNITIES ONLY  
15 MEET ONCE EVERY TWO WEEKS OR ONCE A MONTH OR SOMETHING.

16 MR. ORR: LET ME JUST MENTION HOW WE CAME UP  
17 WITH THE ADDRESSES THAT WE USED FOR OUR NOTIFICATIONS.  
18 IN ADDITION TO THE INFORMAL NOTICES OF OUR PROCEEDINGS IN  
19 DEVELOPING REGULATIONS, WE HAVE MADE SEVERAL MAILINGS  
20 DIRECTLY TO THE LANDFILL OPERATORS. AND, BASICALLY,  
21 THOSE ARE THE OPERATORS THAT ARE LISTED ON OUR SOLID  
22 WASTE FACILITIES PERMITS.

23 PART OF THE DISCUSSION THAT WE HAD LAST  
24 MONTH ABOUT FURTHER DEFINITIONS TO WHO THE OPERATOR IS,  
25 HOPEFULLY, IN THE FUTURE WILL MAKE THAT MORE CLEAR FOR



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1 US, ESPECIALLY AS WE PROCEED IN THIS PROCESS WHEN WE  
2 ADOPT THE REGULATIONS TO WANT TO HAVE THE CLOSURE PLAN  
3 SUBMITTED AND THE FINANCIAL ASSURANCE MECHANISMS REVISED.

4 WE HAVE MADE SEVERAL SUBSEQUENT MAILINGS.  
5 AND TO PICK UP IN DECEMBER, WE DID BEGIN TO RECEIVE A  
6 STEADY STREAM OF PHONE CALLS, I WOULD SAY, ABOUT THE  
7 FIRST WEEK IN DECEMBER WHEN PEOPLE, WHEREVER THESE  
8 GUIDELINES WERE SITTING BETWEEN AUGUST AND DECEMBER,  
9 FINALLY PEOPLE REALIZED THAT THE DEADLINE WAS  
10 APPROACHING. AND SO A LOT OF THE QUESTIONS HAD TO DO  
11 WITH: WHAT DO WE HAVE TO DO TO MAKE THIS CERTIFICATION?  
12 WELL, THE FIRST THING THEY PROBABLY HAD TO START THREE OR  
13 FOUR MONTHS PRIOR TO THAT TO BE ABLE TO DO THE LEGWORK TO  
14 MAKE THE PAPER CERTIFICATION BY THE JANUARY 1ST DEADLINE.

15 THE SECOND THING THAT CAUSED A LOT OF  
16 RESULTS WAS WE SENT OUT TWO DIFFERENT LETTERS TO  
17 OPERATORS DURING THE MONTH OF DECEMBER. THE FIRST ONE  
18 WAS A CLARIFICATION IN TERMS OF WHAT ACTUALLY HAD TO BE  
19 THERE IN TERMS OF FUNDS ON JANUARY 1ST. AND A LOT OF  
20 PEOPLE THAT MAY HAVE FILED THE DOCUMENT ON THEIR SHELF  
21 FOR MANY MONTHS GOT A ONE-PAGE CLARIFICATION LETTER, AND  
22 ALL OF A SUDDEN WE GOT A STEADY STREAM OF PHONE CALLS  
23 ABOUT THAT.

24 AND THEN WE ALSO SENT OUT A REMINDER LETTER  
25 TOWARD THE END OF DECEMBER SAYING THAT THE DEADLINE WAS



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1 APPROACHING, AS ONE LAST REMINDER, AND THAT CAUSED A  
2 STREAM OF CALLS AT THAT TIME. SO WE ARE STILL CONTINUING  
3 TO RECEIVE CALLS, EITHER ABOUT THE GUIDELINES, WE'VE  
4 NEVER SEEN THEM, OR THIS REMINDER LETTER AND WE DUG THIS  
5 OFF THE SHELF AND NOW WHAT DO WE DO WITH IT?

6 IT'S BEEN A LONG PROCESS. IN TERMS OF THE  
7 ACTUAL RECEIPT OF THE CERTIFICATIONS, AS WE POINTED OUT  
8 AT THE LAST MEETING, WE STARTED TO RECEIVE  
9 CERTIFICATIONS, I'D SAY, A WEEK OR SO BEFORE THE  
10 DEADLINE. AND THE 4-FOOT STACK OF MAIL THAT MR. BEAUTROW  
11 REFERRED TO EARLIER WAS SITTING THERE FOR US ON JANUARY  
12 3D WHEN WE CAME IN TO WORK AFTER THE DEADLINE. SO I  
13 THINK THAT REFLECTS THE HECTIC NATURE OF ACTIVITY THAT  
14 TRANSPIRED.

15 AND I THINK THAT, WITH ALL OF THIS, THE  
16 LEVEL OF AWARENESS IS DEFINITELY INCREASING OUT IN THE  
17 REGULATED PUBLIC. AND IN TERMS OF FOLLOW-UP ON THE  
18 OPERATORS TO MAKE SURE THAT THE PARTIES ARE NOTIFIED THAT  
19 ARE IN THE POSITION TO COMPLY, I THINK THE WAY THAT WE'LL  
20 BE DOING THAT IS THE LETTERS THAT WE'RE PREPARING, IF WE  
21 HAVEN'T GOTTEN ANYTHING FROM THE OPERATORS, THAT WE'LL BE  
22 SENDING A LETTER TO WHOEVER WE CAN IDENTIFY THAT MAY BE  
23 IN THE POSITION TO RESPOND.

24 AND ONE THING THAT WE DID DO IS WE COME  
25 WITH A NEW CATEGORY FOR PEOPLE TO SAY THAT I'M NOT THE



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1 OPERATOR. YOU SHOULD CONTACT THESE PEOPLE. AND SO,  
2 HOPEFULLY, IF THEY ARE NOT IN THE POSITION, THEY'LL AT  
3 LEAST TAKE THE TIME TO SAY, "WELL, YOU REALLY SHOULD  
4 CONTACT THIS PARTY," AND GIVE US A LEAD AS WHO WOULD BE  
5 THE APPROPRIATE PARTY WITHIN THAT JURISDICTION.

6 VICE CHAIRMAN MOSCONE: IT SEEMS TO ME AT LEAST  
7 ONE OF THESE NOTICES COULD HAVE GONE TO CITY COUNCILS,  
8 INDIVIDUALLY TO EACH COUNCILMEMBER OR EACH SUPERVISOR,  
9 WHICHEVER; BUT ONE OF THESE NOTICES SO THAT THE  
10 COUNCILMAN OR SUPERVISOR RECEIVES THIS. AND HE SAYS,  
11 "HEY, I WONDER IF THESE PEOPLE ARE LOOKING INTO THIS."  
12 IT MAY NOT HAVE HAPPENED, YOU KNOW, THAT LAST MINUTE  
13 THING. AND A CONSCIENTIOUS SUPERVISOR OR COUNCILMAN  
14 MIGHT HAVE TAKEN IT UPON HIMSELF TO SAY, "I WONDER IF  
15 SO-AND-SO IS DOING SOMETHING ABOUT THIS." AND SO THERE  
16 WOULD HAVE BEEN THAT EXTRA PUSH TO WHOEVER IS  
17 RESPONSIBLE. MAYBE YOU'VE COVERED IT.

18 MR. ORR: WE STILL HAVE A NUMBER OF FACILITIES  
19 THAT HAVE YET TO COMPLY. AND I'M SURE WE CAN  
20 INVESTIGATE, YOU KNOW, GIVING AT THIS TIME, AT LEAST,  
21 SOME ADDITIONAL NOTIFICATION SO THAT OTHER PARTIES THAT  
22 MAY BE ABLE TO SPUR THINGS ON MIGHT DO THAT FROM ABOVE AS  
23 WELL.

24 BOARD MEMBER BEAUTROW: WELL, I TALKED TO THIS  
25 GUY ON THE BOARD OF EQUALIZATION, THE ONES IN CHARGE OF

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1 PROGRAM. THEY SENT OUR AN "OH, BY THE WAY LETTER," I  
2 THINK DATED NOVEMBER 11TH, WHICH WAS THE ONLY LETTER THAT  
3 THEY EVER SENT OUT AND THEY USED OUR MAILING LIST. AND  
4 THAT'S WHERE -- THAT WAS THE LETTER NOTIFYING PEOPLE TO  
5 SEND THE MONEY IN. SO, I MEAN, YOU TALK ABOUT WITH  
6 SIGNIFICANT IMPACT, AND I DON'T THINK THEY GOT -- HE  
7 DIDN'T KNOW WHAT HIS RESPONSE RATE WAS. I GUESS THAT  
8 WILL BE ANOTHER INTERESTING PIECE OF INFORMATION.

9 BOARD MEMBER BREMBERG: DID THEY GET THE MONEY?

10 BOARD MEMBER BEAUTROW: THEY MUST HAVE BECAUSE  
11 FEES ALL WENT UP JANUARY 1ST.

12 MR. ORR: THEY JUST HAS TO START COUNTING ON  
13 JANUARY 1ST.

14 MR. OLDALL: THEY DON'T SUBMIT IT UNTIL NEXT  
15 YEAR. AS LONG AS THEY'VE STARTED COUNTING, WE'RE OKAY.  
16 IF NOT, IF NOT, THEY'VE GOT TO FUDGE THE NUMBERS BACK TO  
17 JANUARY 1ST.

18 BOARD MEMBER BEAUTROW: THAT'S RIGHT.

19 VICE CHAIRMAN MOSCONE: ARE THERE ANY QUESTIONS  
20 OF MR. BERG? HAVE YOU COMPLETED, MR. BERG?

21 MR. BERG: JUST A COUPLE OF GENERAL COMMENTS.  
22 AND THEN IF THE BOARD WOULD LIKE, I COULD QUICKLY  
23 SUMMARIZE THE DIFFERENCES BETWEEN FINANCIAL ASSURANCE FOR  
24 CLOSURE/POSTCLOSURE AND THOSE FOR LIABILITY.

25 IN TERMS OF GENERAL COMMENTS, I THINK TO

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1 PUT A SLIGHTLY MORE POSITIVE LIGHT ON THE JUST PASSED  
2 DISCUSSION IS THAT WE'VE GOT A GOOD OPPORTUNITY TO GET  
3 PARTICIPATION FROM LOCAL GOVERNMENT BEFORE REGULATIONS  
4 ARE EVEN PROPOSED. WE'VE GOT THE OPPORTUNITY TO REVIEW  
5 THEIR INITIAL COMPLIANCE, TO SUBMIT -- TO OBTAIN PUBLIC  
6 AGENCY COMMENTS IN HEARINGS LIKE THIS. I THINK I FEEL  
7 GOOD ABOUT THAT.

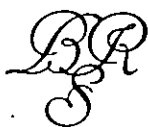
8 IN THE NATIONAL PERSPECTIVE, THE ISSUES OF  
9 FINANCIAL ASSURANCE FOR PUBLIC AGENCIES IS RELATIVELY  
10 NEW. UNDER THE 13 OR MORE FEDERAL PROGRAMS THAT HAVE  
11 FINANCIAL RESPONSIBILITIES FOR ENVIRONMENTAL OBLIGATIONS,  
12 THERE'S RELATIVELY -- IN THE PAST, THERE'S BEEN  
13 RELATIVELY LITTLE CONCERN ABOUT PUBLIC AGENCIES. IN  
14 GENERAL, I THINK THE BOARD IS ADDRESSING A SOMEWHAT NEW  
15 ISSUE FOR PUBLIC AGENCIES.

16 FINALLY, TO MOVE ON TO FINANCIAL ASSURANCE  
17 FOR OPERATING LIABILITY, THERE IS SOME MAJOR DIFFERENCES  
18 IN WHAT MECHANISMS ARE FEASIBLE FOR THIS TYPE OF  
19 COVERAGE. FIRST, INSURANCE IS SOMEWHAT AVAILABLE;  
20 WHEREAS, IT'S NOT FOR CLOSURE/POSTCLOSURE MAINTENANCE.  
21 THE AVAILABILITY OF INSURANCE, THOUGH, IS STILL LIMITED.  
22 I'D SAY, CURRENTLY, AND PROBABLY IN THE FUTURE, IT WILL  
23 BE LOW TO MODERATE AVAILABILITY. IT WILL PROBABLY BE THE  
24 ONLY FEASIBLE OPTION FOR MANY SMALL ENTITIES; BUT STILL  
25 IF THEIR RISKS WERE RELATIVELY HIGH, THE RISKS OF HAVING

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1 LIABILITY FOR PROPERTY DAMAGE OR PERSONAL INJURIES, THEN  
2 MAY NOT BE ABLE TO OBTAIN COVERAGE.

3 RISK RETENTION GROUP COVERAGE IS POSSIBLE  
4 IN THE LONGER TERM. IN THE SHORT-TERM IT'S NOT. IT  
5 TAKES, AT A MINIMUM, ONE TO TWO YEARS TO SET UP A RISK  
6 RETENTION GROUP. THIS TYPE OF COVERAGES WILL BE SLIGHTLY  
7 MORE EXPENSIVE THAN INSURANCE INITIALLY. THE REASON FOR  
8 THAT IS THE GROUP NEEDS TO CAPITALIZE ITSELF. IT HAS TO  
9 HAVE CONTRIBUTIONS FROM ALL PEOPLE THAT ARE MEMBERS OF  
10 THE GROUP AND THEREBY INSURED.

11 IN SOME OF THE OTHER RISK RETENTION GROUPS  
12 THAT HAVE BEEN SET UP, THE COST OF THAT INITIAL  
13 CAPITALIZATION IS ROUGHLY EQUAL TO THE FIRST YEAR  
14 PREMIUM. SO, IN OTHER WORDS, UNDER THE FIRST YEAR OF  
15 RISK RETENTION GROUP, THEY HAVE TO PAY ROUGHLY TWICE WHAT  
16 THEY WOULD FOR INSURANCE FROM COMMERCIAL INSURANCE  
17 COMPANIES. AFTER THAT THE PREMIUM LEVEL SHOULD BE  
18 SIMILAR.

19 ONE OF THE PROBLEMS WITH THE THREE  
20 MECHANISMS THAT ARE AVAILABLE FOR LIABILITY COVERAGE,  
21 SURETY BONDS, LETTERS OF CREDIT, AND TRUST FUNDS ARISE  
22 JUST FOR OPERATING LIABILITY. THERE'S THE DIFFICULTY OF  
23 THAT THIRD PARTY, THE SURETY BANK OR CORPORATE GUARANTOR,  
24 FIGURING OUT WHICH CLAIMS TO PAY.

25 WE THINK OF HOW INSURANCE COMPANIES



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1 OPERATE, THERE'S A CLAIM AGAINST THE OPERATOR. THE  
2 INSURANCE COMPANY FIGURES, "WELL, SHOULD WE DEFEND  
3 AGAINST THAT CLAIM OR NOT?" IF WE DEFEND AGAINST IT AND  
4 PAY FOR THOSE DEFENSE COSTS, WE'LL INCUR LOWER COSTS THAN  
5 IF THEY PAID THE OUTRAGEOUS CLAIM.

6 SURETY BANKS AND CORPORATE GUARANTORS ARE  
7 RELATIVELY UNLIKELY TO WANT TO FACE THAT RESPONSIBILITY.  
8 SO AS A RESULT, LETTERS OF CREDIT, ALTHOUGH THEY'RE  
9 COMPLETELY EFFECTIVE OR RELATIVELY EFFECTIVE FOR  
10 OPERATING LIABILITY, AREN'T LIKELY TO BE AVAILABLE.  
11 LIKEWISE, SURETY BONDS AREN'T TOO LIKELY TO BE AVAILABLE.  
12 CORPORATE GUARANTEES MAY. CORPORATE PARENT MAY BE  
13 SLIGHTLY LESS WILLING TO GIVE A FINANCIAL TEST TO ISSUE A  
14 GUARANTEE FOR A LIABILITY COVERAGE THAN FOR  
15 CLOSURE/POSTCLOSURE MAINTENANCE.

16 THERE ARE ALSO SOME IMPLEMENTATION PROBLEMS  
17 ASSOCIATED WITH MECHANISMS THAT ACTUALLY SET ASIDE FUNDS.  
18 FOR EXAMPLE, A TRUST FUND OR ANY OTHER FUNDS USED UNDER A  
19 BONDING MECHANISM; AND THAT'S WHEN A CLAIM OCCURS,  
20 PAYMENT HAS TO BE MADE FROM THOSE FUNDS. THAT'S A  
21 PRIMARY WAY THAT THE OPERATOR WANTS TO PAY FOR THOSE  
22 CLAIMS. SAY THEY FACE A BIG CLAIM, THE FUND IS DEPLETED,  
23 THERE NEEDS TO BE A REPLENISHMENT; WHEREAS, UNDER  
24 INSURANCE, THE INSURER CONTINUES TO PROVIDE COVERAGE.

25 AND, FINALLY, THERE'S A SLIGHT DIFFERENCE



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1 IN THE PREDICTIVE VALUE OF A FINANCIAL TEST FOR CLOSURE  
2 AND POSTCLOSURE MAINTENANCE THAN FOR LIABILITY COVERAGE.  
3 IT'S SLIGHTLY MORE DIFFICULT TO PREDICT A FIRM'S ABILITY  
4 TO PAY THE LIABILITY BECAUSE THE COSTS ARE UNCERTAIN IN  
5 WHEN THEY'RE GOING TO OCCUR, IF THEY'RE GOING TO OCCUR AT  
6 ALL, THE NUMBER OF LIABILITY CLAIMS THAT MIGHT ARISE, AS  
7 WELL AS THE ULTIMATE COST. SO THERE MAY BE ASSURANCE FOR  
8 \$2 MILLION; BUT, IN FACT, THEY GET FOUR DIFFERENT CLAIMS  
9 IN ONE YEAR AND ONE OF THEM \$6 MILLION. AND BECAUSE OF  
10 THOSE, THAT DIFFICULTY OF PREDICTING THE AMOUNT OF COST,  
11 IT'S MORE DIFFICULT TO DESIGN AN EFFECTIVE TEST.

12 SO, TO SUMMARIZE, IF WE FIRST COMPARED  
13 OTHER FINANCIAL RESPONSIBILITY PROGRAMS FOR LIABILITY  
14 COVERAGE, THE MAIN MECHANISMS USED THERE ARE INSURANCE,  
15 AND FOR LARGE FIRMS THE FINANCIAL TEST, AND FOR  
16 SUBSIDIARIES OF LARGE FIRMS THE CORPORATE GUARANTEE.  
17 ALTHOUGH OTHER AGENCIES HAVE SAID CERTAIN OTHER  
18 MECHANISMS ARE ACCEPTABLE, THEY TEND NOT TO BE USED, SUCH  
19 AS THE LETTER OF CREDIT. SO IT'S -- THE BIGGEST PROBLEM  
20 IS FOR SMALL FIRMS THAT CAN'T AFFORD OR OBTAIN INSURANCE.

21 BOARD MEMBER BREMBERG: MR. CHAIRMAN.

22 VICE CHAIRMAN MOSCONE: MRS. BREMBERG.

23 BOARD MEMBER BREMBERG: YOU TRIGGERED SOMETHING  
24 THAT, QUITE FRANKLY, I HADN'T EVEN THOUGHT OF, AND I'M  
25 GLAD YOU DID. IS THERE A REAL POSSIBILITY THAT NO MATTER

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1 WHICH FINANCIAL MECHANISM IS CHOSEN, THAT BECAUSE OF THE  
2 KNOWLEDGE THAT THE MONEY IS THERE, THAT SOME MECHANISM IS  
3 IN PLACE, WILL THERE BE A VERY REAL POSSIBILITY THAT  
4 THERE WILL BE A PLETHORA OF CLAIMS FILED HOPING THAT  
5 BECAUSE THE MONEY IS THERE, SOMEONE IS GOING TO GET SOME?

6 MR. BERG: I THINK THAT'S A DEFINITE POSSIBILITY  
7 FOR THE MECHANISMS WHERE FUNDS ARE ACTUALLY SET ASIDE.  
8 BANKS MAY NOT WANT TO ISSUE -- MAY NOT WANT TO BE  
9 TRUSTEES BECAUSE THEY MAY FEAR THE PEOPLE WHO THINK THEY  
10 WERE INJURED BY SOME RELEASE --

11 BOARD MEMBER BREMBERG: A LOT OF FRIVOLOUS  
12 CLAIMS CAN BE FILED WITH NO MERIT, BUT REQUIRE DEFENSE  
13 AND EXPENDITURE OF FUNDS TO RESOLVE THE ISSUE. AND SOME  
14 PEOPLE MAY TAKE THE THEORY THAT TO SETTLE IS BETTER THAN  
15 TO FIGHT OR WHATEVER AND ABSOLUTELY JUST DESTROY THE  
16 WHOLE MECHANISM.

17 MR. BERG: THAT'S POSSIBLE FOR SOME OF THE  
18 MECHANISMS; BUT, GENERALLY, ONLY THOSE THAT WOULDN'T BE  
19 USED ANYWAY. IN PART, THAT'S THE REASON THEY WOULDN'T BE  
20 USED. IT WOULDN'T APPLY TO A FINANCIAL TEST BECAUSE  
21 THAT'S THE SAME AS SUING THE COMPANY; NOT WOULD IT APPLY  
22 TO INSURANCE BECAUSE THAT'S THE SAME AS REGULAR  
23 INSURANCE.

24 BOARD MEMBER BREMBERG: THANK YOU.

25 MR. BERG: I GUESS JUST TO CONCLUDE, IF ANYONE



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1 IN THE AUDIENCE, ANY MEMBERS OF THE BOARD OVER THE NEXT  
2 FEW DAYS OR EVEN EARLY NEXT WEEK HAVE ANY COMMENTS OR  
3 PARTICULAR ISSUES YOU'D LIKE ADDRESSED, I GUESS IT WOULD  
4 BE BEST MAYBE TO CONTACT THE STAFF AND THEY'LL RELAY  
5 THOSE CONCERNS TO ME BECAUSE WE WILL BE REVISING OUR  
6 DRAFT REPORT AND SUBMITTING IT BY, I BELIEVE, NEXT FRIDAY  
7 SO THAT IT CAN BE DISTRIBUTED TO THE BOARD IN ITS REGULAR  
8 PACKET FOR THE MEETING. THANK YOU.

9 VICE CHAIRMAN MOSCONE: YOU ANSWERED THE  
10 QUESTION THAT I WAS GOING TO ASK. TIME IS PRETTY SHORT,  
11 TOO, FOR STAFF PEOPLE IF THEY HAVE QUESTIONS OR REQUESTED  
12 CHANGES. IT DOESN'T GIVE THEM TOO MUCH TIME, AND I THINK  
13 THEY'VE GOT PLENTY TO DO AS IT SITS.

14 BOARD MEMBER BEAUTROW: SO YOU DID TWO MONTHS'  
15 WORK IN TWO WEEKS. THAT'S COMMENDABLE.

16 MR. BERG: THANK YOU. IT WAS A LONG WEEKEND.

17 VICE CHAIRMAN MOSCONE: VERY INFORMATIVE. IF  
18 THERE ARE NO QUESTIONS, THANK YOU, MR. BERG.

19 SHOULD WE TAKE ANOTHER ITEM OR SHOULD WE GO  
20 TO LUNCH?

21 MR. EOWAN: THAT'S COMPLETELY UP TO YOU. THE  
22 NEXT ITEM WILL BE PROBABLY CLOSE TO AN HOUR.

23 BOARD MEMBER BEAUTROW: WELL, WE'VE ALREADY --  
24 THE FIRST TWO WERE SUPPOSED TO BE 60 MINUTES.

25 MR. EOWAN: I MEANT THE LOAN GUARANTEE PORTION.

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BEFORE THE  
CALIFORNIA WASTE MANAGEMENT BOARD  
FOR THE STATE OF CALIFORNIA

IN THE MATTER OF THE: )  
 )  
REGULAR MONTHLY BOARD MEETING ) AFTERNOON SESSION  
FEBRUARY 1989 )  
----- )

DATE AND TIME: WEDNESDAY, FEBRUARY 15, 1989, 9:00 A.M.

PLACE: BOARD HEARING ROOM  
1020 NINTH STREET  
SACRAMENTO, CALIFORNIA

REPORTER: BETH C. DRAIN, CSR  
CERTIFICATE NO. 7152

*Barristers' reporting service*

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TELEPHONE (714) 953-4447

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1 VICE CHAIRMAN MOSCONE: WELL, WE WILL RECESS NOW  
2 FOR LUNCH AND BE BACK AT 1:30.

3 (A BREAK WAS TAKEN.)

4 VICE CHAIRMAN MOSCONE: WE'RE BACK TO ORDER.  
5 ITEM 1 (C), LOAN GUARANTEE PROGRAM.

6 MR. OLDALL: YES, MR. CHAIRMAN, MEMBERS OF THE  
7 BOARD. I'D LIKE TO REINTRODUCE THIS ITEM. YOU WILL  
8 PROBABLY REMEMBER THAT WE BROUGHT IT, I THINK, TO THE  
9 NOVEMBER BOARD MEETING FOR THE BOARD MEMBERS WHERE, AFTER  
10 CONSIDERABLE AMOUNT OF WORK, THE FINANCE DIVISION  
11 PRESENTED THE FIRST CUT OF THE DRAFT REGULATIONS.

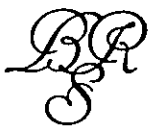
12 SINCE THAT POINT IN TIME, WE HAVE TAKEN THE  
13 CRITERIA, YOU WILL REMEMBER, THAT ARE REQUIRED TO BE  
14 APPROVED BY THE AB 2448 ADVISORY COMMITTEE TO THIS  
15 ADVISORY COMMITTEE FOR THEIR INPUT. AND I'M PLEASED TO  
16 REPORT THAT THE AGENDA ITEM THAT WE'RE PRESENTING FOR YOU  
17 TODAY INCORPORATES ALL OF THE RECOMMENDATIONS OF THAT  
18 ADVISORY COMMITTEE. SO IT REPRESENTS THE TASK THEY WERE  
19 GIVEN TO DO, TOGETHER WITH THE TASK THAT OUR STAFF WERE  
20 GIVEN TO DO, TO PROVIDE YOU WITH THE COMPLETE  
21 DOCUMENTATION FOR THE LOAN GUARANTEE PROGRAM, INCLUDING,  
22 WHICH IS THE SECTION 2 PART, WHICH IS THAT FROM THE  
23 ADVISORY COMMITTEE.

24 I WOULD ALSO LIKE TO TAKE A MINUTE OR SO  
25 JUST TO REMIND YOU THAT WE'RE TALKING ABOUT 25 PERCENT OF

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1 THE MONEY IN THE FUND. THE FUND, YOU WILL REMEMBER, IS  
2 \$20 MILLION THAT WE WILL START GETTING IN THE MIDDLE OF  
3 NEXT YEAR. SO FIVE MILLION IS ALLOCATED TO THIS LOAN  
4 GUARANTEE PROGRAM TO FINANCE CORRECTIVE ACTIONS.

5 WHAT WE'VE TRIED TO DO, AS I MENTION, IS  
6 INCORPORATE ALL OF THESE COMMENTS. AND, BASICALLY, SINCE  
7 THE LAST TIME, I'D LIKE TO HIGHLIGHT A FEW ITEMS  
8 MENTIONED ON PAGE 32 OF YOUR PACKET, WHERE THE CURRENT  
9 VERSION THAT WE'RE GOING TO PRESENT TO YOU TODAY COVERS  
10 THE WHOLE AREA, BUT THE MAJOR POINTS THAT WE'D LIKE TO  
11 MAKE IS THAT THE LOAN GUARANTEE CRITERIA WORDING HAS BEEN  
12 MODIFIED TO GEAR THE PROGRAM TO ASSIST PRIMARILY SMALL  
13 LANDFILL OPERATORS. THAT WAS ONE OF THE CONCERNS THAT WE  
14 PICKED UP FROM BOTH BOARDS AND BOARD MEMBERS AND INDUSTRY  
15 PEOPLE.

16 IN ORDER FOR THE REGULATIONS TO BE MORE  
17 EASILY UNDERSTOOD, WE'VE WORKED OVER THE GENERAL PROBLEM  
18 STATEMENT AND THE NEED FOR REGULATIONS SO THAT IT WOULD  
19 BE A BIT CLEARER AND MORE READILY UNDERSTOOD.

20 WE NOW HAVE A REQUIREMENT FOR THE  
21 APPLICANTS TO INCLUDE THE SOLID WASTE ASSESSMENT TEST,  
22 THE SWAT TEST INFORMATION, REPORTS IN THEIR APPLICATION  
23 PACKAGES. AS A RESULT OF SOME DISCUSSIONS WITH OTHER  
24 PROGRAMS SIMILAR TO OURS AND HOW LONG IT TAKES TO APPROVE  
25 THE DOCUMENTATION, WE'VE MODIFIED THE APPLICATION PERIOD



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1 WHEN THE BOARD AND THE STAFF HAVE TO REACT FROM LIKE 60  
2 TO 90 DAYS. AND THE DEFAULT CLAIM PROCEDURES HAVE BEEN  
3 MODIFIED ALSO TO REQUIRE THAT THE LENDERS HOLDING LOANS  
4 IN DEFAULT MAKE EVERY EFFORT TO TAKE ALL OTHER MEASURES  
5 POSSIBLE TO RECOVER THE LOAN BEFORE FILING A CLAIM  
6 AGAINST THE BOARD.

7 THAT HAD BEEN SOMETHING, I THINK, MR.  
8 ARAKALIAN AND ONE OR TWO OTHER BOARD MEMBERS HAD, GIVING  
9 US THE CHARGE OF DOING AND OF MAKING SURE THAT EVERYTHING  
10 WAS BEING DONE TO RECOVER BEFORE THE DEFAULT CLAIM  
11 PROCEDURES KICKED INTO EFFECT.

12 STARTING ON PAGE, I THINK, 34, 35 OF YOUR  
13 PACKET, PROBABLY NOT UNTIL PAGE 36 DOES IT BECOME CLEAR  
14 WHAT I'D LIKE TO FOCUS ON TODAY, IF WE MAY. AND THEN YOU  
15 ARE GOING TO SEE TECHNIQUE THAT WE'VE USED FOR  
16 HIGHLIGHTING CERTAIN PASSAGES IN THE PACKET THAT WE HAVE  
17 MADE THE CHANGES IN. SO IT WILL BE THOSE SHADED AREAS  
18 THAT I THINK THAT WE'LL GET THE MOST PRODUCTIVE TIME FROM  
19 FOCUSING IN ON TODAY.

20 SO WITHOUT FURTHER ADO, I'D LIKE TO HAND  
21 OVER TO NGUYEN VAN HAHN TO CONTINUE WITH THE PRESENTATION  
22 AND WALK YOU THROUGH THE CRITERIA ISSUES THAT THE  
23 ADVISORY COMMITTEE HAD BLESSED AND ASKED AND RECOMMENDED  
24 TO THE BOARD TOGETHER WITH THE REST OF THE PACKAGE.  
25 NGUYEN.

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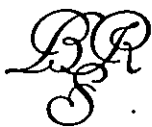
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1 MR. VAN HAHN: MR. CHAIRMAN, BOARD MEMBERS, I  
2 WOULD LIKE VERY MUCH TO FOLLOW UP ON MR. ALAN OLDALL'S  
3 INSTRUCTION. WE WILL FOCUS ON THE CHANGES MADE IN THE  
4 PROPOSED REGULATIONS FOR THE LOAN GUARANTEE PROGRAM IN  
5 RESPONSE TO THE INSTRUCTION AND GUIDANCE FROM THE BOARD  
6 DURING THE NOVEMBER 16TH MEETING, ALSO THE  
7 RECOMMENDATIONS BY THE ADVISORY COMMITTEE, AS WELL AS  
8 OTHER CHANGES RECOMMENDED BY THE STAFF.

9 TO BEGIN WITH, THE CHANGES IN SECTION 1,  
10 DEFINITION, ON PAGE 36 IN YOUR PACKAGE. THE DEFINITION  
11 OF APPROVED LENDING INSTITUTIONS HAS BEEN EXPANDED TO  
12 INCLUDE STATE AND FEDERAL AGENCIES.

13 NOW SUBSECTION A WOULD READ "APPROVED  
14 LENDING INSTITUTION MEANS BANKING ORGANIZATIONS,  
15 INCLUDING NATIONAL BANKING ASSOCIATIONS AND STATE  
16 CHARTERED COMMERCIAL BANKS AND TRUST COMPANIES, SAVINGS  
17 AND LOAN ASSOCIATIONS, STATE INSURANCE COMPANIES, STATE  
18 AND FEDERAL AGENCIES, AND OTHER RETIREMENT AND INSURANCE  
19 ORGANIZATIONS."

20 THIS EXPANSION OF THE DEFINITION OF  
21 APPROVED LENDING INSTITUTIONS WAS MADE WHEN THE BOARD  
22 ACCEPTED THE ADVICE FROM MR. JIM YOUNG OF THE DEPARTMENT  
23 OF COMMERCE TO ALLOW EXISTING GOVERNMENT DIRECT LOAN  
24 PROGRAMS TO SUPPLY FUNDS TO LANDFILL OWNERS. STAFF  
25 BELIEVES THAT EXPANDING THIS DEFINITION WILL ALLOW



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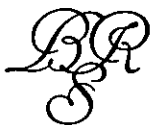
1 LANDFILL OPERATORS ACCESS TO A LARGER POOL OF FINANCING  
2 RESOURCES.

3 NEXT ARE THE CHANGES RECOMMENDED BY THE  
4 ADVISORY COMMITTEE. SEVERAL MAJOR CHANGES HAVE BEEN  
5 RECOMMENDED BY THE ADVISORY COMMITTEE ON THE LOAN  
6 GUARANTEE CRITERIA IN SECTION 2. THIS IS ON PAGE 37 IN  
7 YOUR PACKAGE.

8 IN RESPONSE TO THE DIRECTIONS FROM THE  
9 BOARD, AS WELL AS THE RECOMMENDATIONS BY THE ADVISORY  
10 COMMITTEE, THE STAFF HAS ADDED LANGUAGE IN THE NEED FOR  
11 REGULATION PASSAGE TO CLARIFY THE ISSUE OF NONROUTINE  
12 CORRECTIVE ACTIONS TO BE FINANCED BY LOAN GUARANTEES AND  
13 THE REQUIRED COLLATERAL. THE NEW WORDING REFLECTS THE  
14 PROPOSED REGULATORY LANGUAGE ON PAGE 38 OF YOUR PACKAGE.  
15 IF I MAY, LET ME READ SUBSECTION B HERE.

16 "THE LOAN GUARANTEE, IF PROVIDED, WILL BE  
17 USED TO SECURE A LOAN FROM AN APPROVED LENDING  
18 INSTITUTION NEEDED TO IMPLEMENT A NONROUTINE CORRECTIVE  
19 ACTION, AS DEFINED IN SECTION 1, WHICH IS REQUIRED TO  
20 MITIGATE A PUBLIC HEALTH/SAFETY OR ENVIRONMENTAL HAZARD  
21 THAT IS NOT ADDRESSED BY AN EXISTING CLOSURE AND  
22 POSTCLOSURE MAINTENANCE PLAN OR SITE UPGRADE  
23 REQUIREMENT."

24 THE BOARD REQUESTED THAT THE IDENTIFICATION  
25 OF CORRECTIVE ACTIONS COVERED BY THIS PROGRAM BE



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1 DESCRIBED MORE CLEARLY. SPECIFICALLY, WHICH ACTIONS  
2 COULD BE COVERED BY THIS PROGRAM AS OPPOSED TO OTHER  
3 PROGRAMS WITHIN AB 2448, SUCH AS THE COMPLIANCE CONTRACT  
4 PROGRAM WHERE WE DO HAVE AN ESTIMATE OF \$8 MILLION FOR  
5 CORRECTIVE ACTIONS.

6 THE STAFF UNDERSTANDS THAT DEFINITION OF  
7 APPLICABILITY BETWEEN THE LOAN GUARANTEE PROGRAM AND THE  
8 COMPLIANCE CONTRACT PROGRAM IS DETERMINED BY THE  
9 FINANCIAL CAPABILITIES OF THE LANDFILL OPERATORS ON WHOSE  
10 SITE A CORRECTIVE ACTION IS TO BE TAKEN. ANOTHER FACTOR  
11 IS THE URGENCY OF THE CORRECTIVE ACTION ITSELF.

12 PRIMARILY, IT IS ANTICIPATED THAT WHEN THE  
13 COST OF THE ACTION IN QUESTION EXCEEDS THE VALUE OF THE  
14 GREATEST LOAN THAT THE OPERATOR CAN OBTAIN WITH A  
15 GUARANTEE, THE OPERATOR OF THE LANDFILL WOULD BE ELIGIBLE  
16 TO BE FINANCED BY THE COMPLIANCE CONTRACT THAT WE ARE  
17 TALKING ABOUT. THIS SITUATION MIGHT ARISE WHEN EITHER  
18 THE LOAN AMOUNT COULD NOT FEASIBLY BE REPAID BY THE  
19 OPERATOR AND/OR WHEN ADEQUATE LOAN GUARANTEE FUNDS ARE  
20 NOT AVAILABLE.

21 IN A LESS LIKELY CASE, A CORRECTIVE ACTION  
22 MIGHT BE FINANCED BY A COMPLIANCE CONTRACT WHEN IT IS TO  
23 TAKE PLACE ON A CLOSED LANDFILL FOR WHICH THE RESPONSIBLE  
24 ENTITY CANNOT BE HELD FINANCIALLY RESPONSIBLE. THE  
25 ADVISORY COMMITTEE ALSO RECOMMENDED THIS CHANGE TO

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1 CLARIFY THE NONROUTINE CORRECTIVE ACTION.

2 REGARDING SITUATIONS WHICH REQUIRE  
3 IMMEDIATE CORRECTIVE ACTION, THE LEAD TIME NECESSARY TO  
4 PROCESS A LOAN GUARANTEE APPLICATION -- THIS PART WE WILL  
5 DISCUSS SUBSEQUENTLY -- MIGHT CREATE AN UNWANTED DELAY.  
6 FUNDS FROM THE COMPLIANCE CONTRACT PROGRAM, THE  
7 \$8-MILLION AMOUNT, WOULD THEN BE TAPPED FOR THESE URGENT  
8 CORRECTIVE ACTIONS.

9 STAFF RECOMMENDS THAT THIS CLARIFICATION BE  
10 ADDED AS IT FURTHER DEFINES THE TYPE OF ACTION THAT THIS  
11 LOAN GUARANTEE PROGRAM IS INTENDED TO COVER. IT WOULD  
12 PROHIBIT USING GUARANTEED LOANS TO FINANCE ROUTINE  
13 ACTIONS IDENTIFIED IN A CLOSURE/POSTCLOSURE MAINTENANCE  
14 PLAN. INSTEAD, GUARANTEE LOANS SHALL BE USED TO FUND  
15 NONROUTINE CORRECTIVE ACTIONS THAT ARE NECESSARY TO BRING  
16 THE LANDFILL INTO CONFORMANCE WITH EXISTING HEALTH AND  
17 SAFETY REQUIREMENTS.

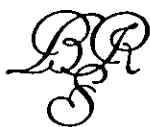
18 VICE CHAIRMAN MOSCONE: SAM.

19 BOARD MEMBER ARAKALIAN: YOU KNOW, ON THE  
20 CRITERIA THERE OF MAKING THIS LOAN WHEN IT'S -- THE  
21 CORRECTIVE ACTION IS FOR SAFETY, FOR EXAMPLE, OR  
22 NON-HAZARDOUS STUFF, OKAY. MAYBE SOMETHING DOESN'T LOOK  
23 DIRECTLY, BUT ALMOST ANY EXPENDITURE THAT A LANDFILL  
24 WOULD NEED, IF ISN'T DIRECTLY CAUSING AN UNSAFE  
25 SITUATION, IT WILL CAUSE IT INDIRECTLY.

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1                   FOR EXAMPLE, I CAN'T THINK OF ALL THE  
2 THINGS THAT COULD HAPPEN BECAUSE I'M NOT HERE TO THINK OF  
3 ALL THOSE. LET'S SAY, FOR EXAMPLE, THE GUY NEEDS  
4 EQUIPMENT FOR HIS BLADING AND STUFF, FOR HIS CLOSURE -- I  
5 MEAN FOR HIS COVER AND ALL THAT. WELL, YOU CAN SAY,  
6 "WELL, THAT TYPE OF EQUIPMENT IS UNNECESSARY FOR SAFETY";  
7 BUT BY THE SAME TOKEN, IF HE HAS INADEQUATE EQUIPMENT AND  
8 CAN'T DO HIS GROUND COVER WELL OR WHATEVER ELSE OR  
9 COMPACTING OF IT, THEN IT, IN TURN, DOWN THE LINE WILL  
10 CAUSE A HAZARDOUS CONDITION. SO WHERE DO YOU PUT THE  
11 LINE WHICH IS ACCEPTABLE A LOAN FOR? I MEAN, IT'S SORT  
12 OF GRAY TO ME.

13                   AND THEN, OTHER SUBJECT MATTER, IF YOU CAN  
14 LOAN -- IS THIS -- CAN THIS MONEY BE LOANED FOR  
15 POSTCLOSURE EXPENDITURE?

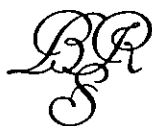
16                   MR. VAN HAHN: FIRST OF ALL, THE FIRST QUESTION  
17 IS THAT CERTAINLY THE SITUATION THAT YOU JUST DESCRIBED  
18 GAVE A -- PROVIDE A CIRCUMSTANCE THAT NO CLEAR-CUT  
19 DEFINITION CAN BE APPLIED AT THE MOMENT. HOWEVER, IN  
20 DRAFTING THE REGULATIONS HERE, WE ARE TRYING TO  
21 DISTINGUISH -- TO MAKE A DISTINCTION BETWEEN WHAT IS  
22 DEFINED AS ROUTINE AND WHAT IS DEFINED AS NONROUTINE.

23                   THE EQUIPMENT PURCHASES CERTAINLY WOULD BE  
24 WITHIN THE COST OF OPERATING A LANDFILL. IF, IN  
25 OPERATING THE LANDFILL, THE LANDOWNERS OWNERS AND

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1 OPERATORS MEET ALL OF THE REQUIREMENTS, THE COST IN DOING  
2 THE BUSINESS THERE WILL BE PART OF THE COST OF  
3 OPERATIONS.

4 IF IN CASE A NONROUTINE ACTION IS REQUIRED  
5 AND THE EQUIPMENT NOT AVAILABLE FOR THAT PARTICULAR  
6 NONROUTINE ACTION, THEN THE COST FOR RENTING THE  
7 EQUIPMENT WOULD BE SOMETHING WE CONSIDER FOR THE LOAN.

8 NORMALLY, IN GOVERNMENT BUSINESS A LOAN OR  
9 A GRANT WOULD NOT BE ALLOWED FOR PURCHASING DIRECTLY A  
10 PIECE OF EQUIPMENT, BUT THE LEASING, RENTING CERTAINLY  
11 COULD BE CONSIDERED.

12 IN ANSWER TO YOUR QUESTION, I WOULD LIKE TO  
13 COME BACK TO THE PROPOSED REGS BY SAYING THE IT IS  
14 DEFINITION OF ROUTINE VERSUS NONROUTINE THAT IS SOMETHING  
15 WE COULD HANG OUR HAT ON.

16 BOARD MEMBER ARAKALIAN: AND THE OTHER QUESTION  
17 WAS IS ANY OF THIS MONEY EARMARKED TO BE LOANED FOR  
18 POSTCLOSURE EXPENDITURE?

19 MR. VAN HAHN: I DO BELIEVE THAT FOR THE LOAN  
20 GUARANTEE PROGRAM HERE, IT IS FOR CLOSURE AND POSTCLOSURE  
21 ACTIVITIES AS WELL, AS LONG AS THEY ARE IN THE NONROUTINE  
22 CATEGORY.

23 BOARD MEMBER ARAKALIAN: WHEN YOU'RE  
24 GUARANTEEING MONEY FOR A CLOSURE PROGRAM AND THE GUY  
25 CLOSES, AND YOU GUARANTEED THAT THIS IS GOING TO BE PAID,



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1 HE CLOSES HIS LANDFILL, WHAT'S GOING TO MAKE YOU THINK  
2 HE'S GOING TO CONTINUE WITH PAYMENTS WHEN HE'S CLOSED AND  
3 WALKED AWAY? I'M JUST WONDERING.

4 MR. VAN HAHN: I DO BELIEVE THAT EVEN A LANDFILL  
5 OWNER AND OPERATOR, AFTER HE OR SHE IS CLOSING THE  
6 LANDFILL, THE OWNER AND OPERATOR IS STILL LIABLE FOR  
7 CERTAIN MAINTENANCE COSTS 15 YEARS AFTER THE CLOSURE.

8 BOARD MEMBER ARAKALIAN: I'M AWARE THAT HE IS  
9 LIABLE. BUT I'M SAYING, AS A GUARANTEEING HIS LOAN, WHO  
10 WANTS TO GUARANTEE A LOAN FOR A PERSON WHO'S GOING OUT OF  
11 BUSINESS?

12 MR. EOWAN: THAT CAN ALWAYS HAPPEN. THE WAY THE  
13 LAW WAS WRITTEN IS TRIES TO AVOID THAT BY CREATING WHAT  
14 WE CALL A CLOSURE/POSTCLOSURE MAINTENANCE PLAN, AND  
15 THAT'S WHY YOU HAVE FUNDING MECHANISMS UP FRONT AND ALL  
16 THE OTHER REQUIREMENTS THAT 2448 HAD.

17 IF THE GUY STILL WALKS, AFTER HAVING DONE  
18 ALL THAT, AND THE FINANCIAL MECHANISMS THAT HE HAS IN  
19 PLACE ARE NO GOOD, AND THEN THERE'S A MAJOR THREAT OR  
20 SOME KIND OF THREAT TO THE PUBLIC HEALTH AND SAFETY, THE  
21 ONLY RECOURSE AVAILABLE REALLY IS THE SUPERFUND.

22 BOARD MEMBER ARAKALIAN: THAT WAS WHAT MY NEXT  
23 QUESTION WAS GOING TO BE. LET'S TAKE A HYPOTHETICAL  
24 SITUATION. THE LANDFILL A BORROWS \$3 MILLION FROM US TO  
25 DO POSTCLOSURE WORK. THEN HE GOES BELLY UP AND GOES, AND



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1 WE'RE STUCK WITH THE \$3-MILLION TAB. NOW, ALONG COMES  
2 THE SUPERFUND TO FINISH THE CLEANUP BECAUSE THAT'S THEIR  
3 POSITION AFTER HE GOES DEFUNCT. WILL THEY COME ALONG AND  
4 REPAY THAT LOAN THAT WAS ALREADY DONE TO US, AND THEN  
5 FINISH OUT THE PROJECT? WILL THEY FINISH IT OUT AND LET  
6 US STILL HOLD THE BAG FOR THE LOAN GUARANTEE?

7 I'M JUST, YOU KNOW, BECAUSE YOU THINK PAY  
8 US THE LOAN OFF? NO, THEY'RE NOT. SO RATHER THAN LOAN  
9 THE GUY MONEY IF HE'S SHAKY, IF HE'S GOING TO GO BELLY  
10 UP, LET HIM DO IT FIRST AND LET THE SUPERFUND PAY.

11 MR. EOWAN: BY THE WAY, WHEN I SAID SUPERFUND,  
12 THAT'S MY -- I KNEW THAT'S YOU THOUGHT WHEN I SAID IT.

13 BOARD MEMBER ARAKALIAN: NOT THE LITTLE STATE  
14 FUND.

15 MR. EOWAN: WE HAVE A LITTLE ONE, TOO, BUT THEN  
16 THERE'S A BIG ONE.

17  
18 BOARD MEMBER ARAKALIAN: THE FEDERAL ONE THAT'S  
19 GOT BIG BUCKS IN IT.

20 MR. EOWAN: BUT TO GET ON THAT LIST, YOU HAVE TO  
21 BE POPULAR.

22 BOARD MEMBER VARNER: MR. CHAIRMAN.

23 VICE CHAIRMAN MOSCONE: MR. VARNER.

24 BOARD MEMBER VARNER: GEORGE, LET ME ASK THIS  
25 QUESTION: WHEN WE'RE TALKING ABOUT LOAN GUARANTEES FOR



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1 CLOSURE AND POSTCLOSURE, THOSE LOANS WILL BE MADE WHEN AN  
2 ENTITY IS STILL OPERATING?

3 MR. EOWAN: CORRECT.

4 BOARD MEMBER VARNER: WE'RE NOT TALKING ABOUT  
5 LOANING SOMEBODY FOR POSTCLOSURE COSTS AFTER THE THING IS  
6 CLOSED; IS THAT CORRECT? WHY WOULD ANYBODY LOAN THE  
7 MONEY, AS SAM POINTS OUT, AFTER THE THING WOULD BE  
8 CLOSED? WOULDN'T -- WHEN IT SAYS FOR CLOSURE AND  
9 POSTCLOSURE COSTS, THEY'D BE BORROWING THIS MONEY WHEN A  
10 VIABLE ENTITY, WOULDN'T THEY?

11 MR. EOWAN: I DON'T THINK THE ANSWER IS -- WHAT  
12 I DO KNOW IS IT WAS INTENDED TO BE A LOAN GUARANTEE FOR  
13 LOANS WHILE THE FACILITY WAS IN OPERATION. WHETHER OR  
14 NOT A BANK WOULD LOAN ONE WHEN IT WASN'T, I COULDN'T  
15 RESPOND.

16 BOARD MEMBER VARNER: MORE IMPORTANT, THOUGH,  
17 WOULD WE GUARANTEE A LOAN FOR AN OUTFIT THAT WAS ALREADY  
18 CLOSED?

19 MR. EOWAN: I COULD NOT FORESEE A SITUATION  
20 WHERE WE WOULD, BUT THAT'S HYPOTHETICAL.

21 VICE CHAIRMAN MOSCONE: MR. CONHEIM.

22 ATTORNEY CONHEIM: THE PROGRAM IS TO LOAN FOR  
23 CORRECTIVE ACTION. SOME OF THOSE ARE RELATED TO CLOSURE  
24 AND POSTCLOSURE MAINTENANCE, BUT THE PROGRAM IS  
25 SPECIFICALLY NOT AUTHORIZED FOR CLOSURE AND POSTCLOSURE.

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1 SO THAT THE SITUATION YOU'RE HYPOTHESIZING, MR. VARNER,  
2 IS UNLIKELY TO OCCUR THE WAY THE STATUTE IS STRUCTURED.

3 MR. VAN HAHN IS DRAFTING REGULATIONS THAT  
4 SHOULD FURTHER PREVENT SOMETHING LIKE THAT OCCURRING.  
5 WE'RE UNDER NO OBLIGATION TO EVEN CONTEMPLATE THE KIND OF  
6 EXTENSION OF THE PROGRAM THAT ISN'T REALLY AUTHORIZED BY  
7 THE LAW.

8 BOARD MEMBER VARNER: I WOULD THINK SO.  
9 COULDN'T WE WRITE SOME LANGUAGE THAT WOULD CERTAINLY  
10 CLARIFY THAT SO THAT THERE WOULDN'T BE ANY CONFUSION ON  
11 THAT ISSUE?

12 BOARD MEMBER ARAKALIAN: WHAT YOU SAID IS A  
13 LITTLE BIT LOOSE. YOU SAID IT ISN'T EARMARKED FOR IT,  
14 BUT YOU ALSO DIDN'T SAY CAN'T BE USED FOR IT. THEREFORE,  
15 THERE IS THAT LITTLE REALM AND EXACTLY WHAT THE  
16 GENTLEMAN -- I CAN'T THINK OF HIS NAME -- SAID. IT'S,  
17 YOU KNOW, PRIMARILY FOR THE RUNNING OPERATION AND HELP,  
18 BUT CAN BE USED FOR POSTCLOSURE. AND I WOULDN'T WANT TO  
19 BE PART OF LOANING MONEY -- NOT BEING A BAD GUY -- TO A  
20 POSTCLOSURE SITUATION. IF THE GUY'S ALREADY CLOSED,  
21 WHAT'S HE GOING TO USE FOR BUCKS TO PAY THAT PAYMENT  
22 WITH?

23 YOU KNOW, I DON'T KNOW. SO LIKE VARNER  
24 SAYS, RATHER THAN JUST LEAVE IT LOOSE AND THEN LEAVE IT  
25 UP TO THE -- GUESS -- LEAVING IT UP TO SOMEBODY'S OPINION

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1 WHEN THE TIME COMES, TO PUT IN SOME LANGUAGE THAT WOULD  
2 BAR THOSE, I WOULD THINK WOULD BE SAFER, YOU KNOW, THAN  
3 LETTING IT ARISE.

4 VICE CHAIRMAN MOSCONE: WOULDN'T THIS -- I DON'T  
5 KNOW IF IT WOULD DO IT TO SOME EXTENT, PARAGRAPH C ON 38,  
6 THAT LAST SENTENCE IN THAT PARAGRAPH, BORROWER WILL  
7 PROVIDE WRITTEN EVIDENCE THAT THIS GUARANTEE IS NECESSARY  
8 IN ORDER TO SECURE ADEQUATE FINANCING. COULD SOME  
9 PROTECTION BE WRITTEN INTO THIS?

10 ATTORNEY CONHEIM: MR. CHAIRMAN, I THINK THE  
11 LANGUAGE THAT YOU'RE CONCERNED ABOUT ALREADY IS IN THE  
12 DRAFT REGULATIONS, AND I THINK THAT ADDING LANGUAGE HAS  
13 TO BE VIEWED IN THE CONTEXT OF WRITING A CLEAR  
14 COMPREHENSIVE PACKAGE OF REGULATIONS. BUT IF YOU WILL  
15 LOOK ON THE SAME PAGE, PAGE 38 IN SECTION (B), THE  
16 LANGUAGE IN SECTION (B) THAT'S REDLINED THAT TALKS ABOUT  
17 LOAN BE REQUIRED TO MITIGATE PUBLIC HEALTH/SAFETY OR  
18 ENVIRONMENTAL HAZARD THAT IS NOT ADDRESSED, AN EXISTING  
19 CLOSURE AND POSTCLOSURE MAINTENANCE PLAN, AND THOSE PLANS  
20 ALSO CONTAIN -- INTERNALLY CONTAIN FINANCING ARRANGEMENTS  
21 SO THAT A LOAN GUARANTEE WOULD ONLY BE USED IN THE  
22 CIRCUMSTANCE WHERE NO OTHER FUNDS WERE AVAILABLE, AND  
23 THERE WOULD BE -- THE BOARD WILL ADOPT REGULATIONS THAT  
24 PROVIDE FOR THE PAYBACK SO THAT IF IT'S NOT A GOOD LOAN,  
25 IF IT'S NOT A GOOD -- THERE'S NO GUARANTEE OF PAYBACK,



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1 THEN A PROBLEM THAT MIGHT BE CORRECTED WITH SUCH MONEY  
2 MIGHT FALL INTO THE CORRECTIVE ACTION POT THAT GETS PAID  
3 FOR OUT OF THE OTHER PORTION OF THE FUND.

4 I THINK WE'RE ALREADY TAKING CARE OF WHAT  
5 YOU'RE LOOKING AT. WE CERTAINLY WILL BE ABLE TO MAKE  
6 SURE OF THAT AND TO DRAFT LANGUAGE, AS NECESSARY, TO  
7 ACCOMPLISH THE CONTROLS THAT YOU'RE CONCERNED ABOUT.

8 VICE CHAIRMAN MOSCONE: ANY QUESTIONS? SAM.

9 BOARD MEMBER ARAKALIAN: I'M JUST STILL TRYING  
10 TO ASSIMILATE ALL THAT.

11 VICE CHAIRMAN MOSCONE: CONTINUE.

12 MR. VAN HAHN: THE NEXT SUBSECTION, SECTION (C),  
13 WE DO HAVE SOME ADDED WORDING THERE TO REFLECT THE  
14 COMMENT AND GUIDANCE FROM THE BOARD FROM THE LAST  
15 MEETING. THE ADDED LANGUAGE IN THE SHADED AREA THERE  
16 READS: THE BORROWER IS UNABLE TO OBTAIN THE REQUIRED  
17 FINANCING FROM ANY OF ITS PARENT, SUBSIDIARY, OR  
18 ASSOCIATED ENTERPRISES. THE BORROWER WILL PROVIDE  
19 WRITTEN EVIDENCE THAT THIS GUARANTEE IS NECESSARY IN  
20 ORDER TO ADEQUATE FINANCES.

21 THE CHANGE WAS MADE, AS I INDICATED, IN  
22 RESPONSE TO THE BOARD'S DESIRE TO GEAR THIS PROGRAM TO  
23 PRIMARILY SERVE THE NEEDS OF SMALL LANDFILL OWNERS AND  
24 OPERATORS AS OPPOSED TO THE LARGE CORPORATE OWNERS AND  
25 OPERATORS.



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1 LANDFILL OPERATORS BELONGING TO THE LARGER  
2 PARENT COMPANIES WILL HAVE TO EXHAUST ALL OF THE  
3 FINANCIAL RESOURCES OF THEIR PARENTS BEFORE QUALIFYING  
4 FOR THIS PROGRAM. AND THE NEW WORDING HERE WILL SERVE TO  
5 PREVENT LARGER COMPANIES WITH DIVERSE ASSETS AND  
6 OPERATIONS FROM TAKING ADVANTAGE OF THE LOAN GUARANTEE  
7 THROUGH THIS PROGRAM.

8 THE BOARD ALSO EXPRESSED CONCERN OF THE  
9 PROGRAM'S REQUIREMENTS THAT A BORROWER DEMONSTRATE AN  
10 ABILITY TO REPAY THE LOAN TO BE GUARANTEED. IT WAS  
11 BELIEVED THAT IF, IN GRANTING LOAN GUARANTEES, STRINGENT  
12 FINANCIAL CRITERIA WERE ESTABLISHED EQUAL TO THAT IN THE  
13 LENDING INSTITUTIONS, THEN THE OPERATOR WOULD NOT NEED A  
14 GUARANTEE TO SECURE THE FINANCING FOR CORRECTIVE ACTION  
15 BECAUSE THEY COULD OBTAIN SIMILAR GUARANTEES ELSEWHERE.

16 CONVERSELY, THERE IS CONCERN THAT IF THE  
17 PROGRAM'S CRITERIA WERE LESS STRINGENT THAN A TYPICAL  
18 LENDER'S, THE BOARD WOULD BE FACED WITH A GREATER  
19 POTENTIAL FOR LOAN DEFAULT AND, THUS, LESSEN THE SECURITY  
20 OF THE ACCOUNT.

21 OUR LOAN GUARANTEES ARE A VEHICLE TO  
22 INCREASE THE SECURITY OF DEBT INSTRUMENTS, WHICH ARE THE  
23 LOANS, BY ASSURING THE REPAYMENT OF THE GUARANTEE  
24 PORTION. AND IT IS BELIEVED THAT LOANS TO LANDFILL  
25 OPERATORS TO MITIGATE ENVIRONMENTAL OR PUBLIC HEALTH



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1 HAZARDS WOULD APPEAR LESS SECURE TO LENDERS THAN  
2 CONVENTIONAL BUSINESS LOANS.

3 THESE PERCEPTIONS ARISE FROM A VARIETY OF  
4 REASONS, SUCH AS THE NATURE OF THE HAZARD, THE LENDER'S  
5 LIMITED EXPERIENCE WITH THE LANDFILL BUSINESS. THUS, IT  
6 IS ASSUMED THAT LANDFILL OPERATORS MIGHT POSSESS THE  
7 ABILITY TO REPAY THE LOAN, BUT MAY STILL BE AN  
8 UNATTRACTIVE BORROWER TO A CONVENTIONAL LENDER. SO IT IS  
9 BELIEVED THAT OUR LOAN GUARANTEE WILL SERVE TO INCREASE  
10 THE APPARENT SECURITY OF SUCH LOANS TO THE LEVEL  
11 COMPARABLE TO THAT OF A TYPICAL BUSINESS LOAN.

12 THESE ARE MORE OR LESS A RESTATEMENT OF THE  
13 CONCERN AND THE DISCUSSION AT THE BOARD MEETINGS, AS WELL  
14 AS FROM THE ADVISORY COMMITTEE MEETING EARLIER.

15 IN THE SUBSEQUENT SUBSECTION, SUBSECTION  
16 (F), ON PAGE 39 OF YOUR PACKAGE, WE ALSO HAVE A -- SOME  
17 ADDED WORDING RECOMMENDED BY THE ADVISORY COMMITTEE.  
18 SUBSECTION (F) NOW READS, THE FIRST PART: THE LOAN TO BE  
19 GUARANTEED WILL BE SECURED BY SUCH COLLATERAL -- AS THE  
20 BOARD MAY REQUIRE NOW STRICKEN OUT, THE FOLLOWING WORDS  
21 ADDED -- WITH A MARKET VALUE OF NO LESS THAN 75 PERCENT  
22 OF THE GUARANTEE PORTION OF THE LOAN.

23 THE REASON FOR THIS ADDED CLARIFICATION IS  
24 TO IMPROVE THE UNDERSTANDING OF THE VALUE OF THE  
25 COLLATERAL NEEDED. IN DOING SO, WE IMPROVE THE DEGREE OF



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1 SECURITY OF THE LOAN GUARANTEE. BUT THE REASON HERE IS  
2 ALSO JUST IN TERMS OF THE RIGORS OF THE QUALIFICATIONS OF  
3 THE OPERATORS IN NEED OF THE GUARANTEE.

4 THE OTHER ADDED WORDING TO THIS SUBSECTION  
5 HERE IN THE SHADED AREA READS: ONLY THE UNENCUMBERED  
6 EQUITY PORTION OF THE PROPERTY ACCEPTED AS COLLATERAL  
7 SHALL BE CONSIDERED AS THE COLLATERAL.

8 I WOULD LIKE TO SPEND A COUPLE OF MINUTES  
9 TO CLARIFY THIS ISSUE BECAUSE WE FEEL THAT THE  
10 CLARIFICATION IS NECESSARY. THE STAFF FEELS THAT THIS  
11 ADDED CLARIFICATION SHOULD BE CONSIDERED IN THIS LIGHT.

12 FIRST OF ALL, THE CLARIFICATION WOULD  
13 PRECLUDE A LOAN GUARANTEE BEING SECURED BY THE PORTION OF  
14 A PROPERTY OWNED BY AN ENTITY OTHER THAN THE OPERATOR.  
15 IF A PIECE OF PROPERTY OR EQUIPMENT IS PLEDGED AS  
16 COLLATERAL AND THE PURCHASE OF THAT PROPERTY WAS FINANCED  
17 BY A LOAN NOT YET PAID OFF, CREDIT FOR COLLATERAL  
18 PURPOSES WILL BE GIVEN ONLY FOR THE VALUE OF THE OWNER'S  
19 EQUITY IN THAT PROPERTY.

20 HOWEVER, THE OTHER SIDE OF THE COIN IS  
21 SOMETHING THAT WE WOULD LIKE VERY MUCH TO BRING TO THE  
22 BOARD'S ATTENTION. IN OUR FURTHER CONTACTS WITH THE  
23 FINANCIAL INSTITUTIONS, IT APPEARS THAT THIS ADDED  
24 CLARIFICATION SEEMED USEFUL, BUT THE INCLUSION OF SUCH  
25 DETAILS IN THE REGULATION MIGHT NOT BE NECESSARY.

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1                   FURTHERMORE, IN THE REAL FINANCIAL WORLD,  
2           EVERY TIME AN EVALUATION OF THE FINANCIAL CONDITION OF A  
3           BORROWER, IT IS THE CASH FLOW SITUATION, THE ABILITY TO  
4           REPAY A LOAN, WHICH PLAYS THE MAJOR IMPORTANT ROLE, NOT  
5           THE COLLATERAL. THE COLLATERAL ONLY PLAYS A SECONDARY  
6           ROLE. IF THE EVALUATION OF THE ABILITY TO REPAY THE CASH  
7           FLOW SITUATION FAIL THE TEST, THEN THE COLLATERAL WOULD  
8           NOT DO ANY GOOD THROUGH SUCH AN EVALUATION.

9                   WE FEEL THAT, BECAUSE OF THE LEVEL OF  
10          DETAILS IN THIS TYPE OF REGULATION, THE BOARD MAY WISH TO  
11          CONSIDER WHETHER INCLUSION OF SUCH DETAILS WOULD BE  
12          NECESSARY AT ALL.

13                   IN FACT, JUDGING FROM THIS PARTICULAR  
14          MEANING HERE, THE ADDED WORDING IN SUBSECTION 2, WHICH IS  
15          THE RESULT OF YOUR GUIDANCE AND RECOMMENDATION FROM THE  
16          ADVISORY COMMITTEE, WE FEEL THAT THIS ADDED WORDING COULD  
17          BE LEFT OUT WITHOUT CAUSING ANY GREAT DAMAGE TO THE  
18          REGULATION. SO IT IS SOMETHING WE WOULD LIKE TO BRING TO  
19          YOUR ATTENTION.

20                   IF -- I WOULD LIKE TO ENTERTAIN ANY  
21          QUESTIONS YOU MAY HAVE. IF NOT, I WOULD LIKE TO HAVE MY  
22          COLLEAGUE, DENNIS MYERS, TO CONTINUE THE PRESENTATION IN  
23          THE NEXT SEVERAL SUBSECTION.

24                   MR. MYERS: GOOD AFTERNOON. AS WAS STATED  
25          EARLIER, ALL THE GENERAL PROBLEM STATEMENTS AND NEED FOR

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1 REGULATIONS PASSAGES WERE EXTENSIVELY WERE REWRITTEN PER  
2 YOUR DIRECTIONS TO MAKE THE REGULATIONS CLEARER. AND  
3 SINCE THIS WAS SO EXTENSIVE, WE WON'T DISCUSS EACH OF  
4 THOSE CHANGES, PASSAGES IN DETAIL, BUT WE'LL CONCENTRATE  
5 ON CHANGES STRICTLY TO THE REGULATORY LANGUAGE.

6 IN SECTION 3, PRIORITY, WHICH IS ON PAGE 39  
7 OF YOUR PACKAGE, THERE WERE NO CHANGES RECOMMENDED. ON  
8 SECTION 4, LOAN GUARANTEE SIZE, WHICH BEGINS ON PAGE 41  
9 OF YOUR PACKAGE, STAFF RECOMMENDED ONLY ONE CHANGE IN THE  
10 WORDING TO SUBSECTION (B)1, TO STRIKE THE WORDS "LOANS  
11 MADE FOR THE PURPOSE OF FINANCING A REQUIRED CORRECTIVE  
12 ACTION," AND TO REPLACE THAT WITH SIMPLY "A LOAN  
13 GUARANTEE."

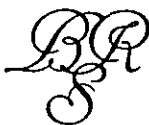
14 THIS DEFINITION OF WHAT LOAN GUARANTEES  
15 COVER IS ALREADY STATED ELSEWHERE, AND THIS PASSAGE IS  
16 REPETITIVE AND JUST IMPROVES THE WORDING OF THE  
17 REGULATION. THAT WAS THE ONLY CHANGE WE RECOMMEND TO  
18 SECTION 4.

19 SECTION 5, LOAN GUARANTEE PERIOD, APPEARS  
20 ON PAGE 42 OF YOUR PACKAGE, AND SECTION 6, PERCENTAGE OF  
21 GUARANTEE, IS ON PAGE 43 OF YOUR PACKAGE HAS NO CHANGES  
22 THAT WE RECOMMEND.

23 MR. OLDALL: PAGE 13 -- SORRY, 43 -- 13 OF OURS.

24 BOARD MEMBER BROWN: SUBSECTION C.

25 MR. OLDALL: PAGE 43, DENNIS, YOU'RE MAKING A



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1 CHANGE TO THE PERCENTAGE OF THE GUARANTEE IN SECTION  
2 6(C).

3 MR. MYERS: THAT CHANGE WAS JUST A GRAMMATICAL  
4 CHANGE FROM NOT TO NO, JUST TO IMPROVE THE WORDING OF THE  
5 MEANING. DIDN'T CHANGE THE MEANING OF THE PASSAGE.

6 ON SECTION 7, WHICH BEGINS ON PAGE 44 OF  
7 YOUR PACKAGE, WE HAD NO RECOMMENDED CHANGES THERE; BUT WE  
8 FELT WE'D RESTATE THE PRINCIPLE OR THE RESULT OF HAVING A  
9 RESERVE RATIO OF 75 PERCENT. THIS RESULTS IN OUR FUND OF  
10 \$5 MILLION ANNUALLY BEING ABLE TO SUPPORT LOAN GUARANTEES  
11 OF APPROXIMATELY \$6.6 MILLION A YEAR.

12 AND SECTION 8, BEGINNING ON PAGE 44 ALSO,  
13 THERE WAS ALSO NO CHANGES, BUT THERE WERE SOME QUESTIONS  
14 AT THE NOVEMBER MEETING CONCERNING THE ROLE OF LOAN  
15 INTEREST AND INTEREST CHARGES THAT'S ANTICIPATED. WE  
16 FELT THIS MIGHT BE HELPFUL TO HAVE SOME ADDITIONAL  
17 EXPLANATION TO HEAR CLEAR THIS UP.

18 THE QUESTION THE BOARD ASKED WAS DO WE  
19 EXPECT BORROWERS PARTICIPATING OR RECEIVING LOAN  
20 GUARANTEES TO BE CHARGED A LOWER RATE OF INTEREST ON  
21 THEIR LOANS. IN PRINCIPLE, A LOAN GUARANTEE REDUCES THE  
22 LEVEL OF RISK ASSOCIATED WITH THAT LOAN, JUST AS PLEDGING  
23 COLLATERAL DOES BECAUSE IT SERVES A VERY SIMILAR PURPOSE  
24 AS FAR AS THE LENDER IS CONCERNED; THUS, THE RATE TO BE  
25 CHARGED SHOULD BE LOWER. BUT DUE TO OUR LIMITED



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1 EXPERIENCE WITH THESE TYPE OF LOANS AND THE EXPERIENCE  
2 WITH THE LENDING COMMUNITY WITH LANDFILL OPERATORS, WE  
3 FEEL THAT THE AMOUNT OF REDUCTION IN INTEREST CHARGES MAY  
4 NOT BE NOTICEABLE OR MAY NOT EVEN BE MEASURABLE.

5 IN FACT, IN MANY CASES, DUE TO THE  
6 LIABILITY OF ENVIRONMENTAL HAZARDS, THIS GUARANTEE MAY BE  
7 REQUIRED TO EVEN OBTAIN A LOAN FROM ANY LENDER. SO THE  
8 RATE TO BE CHARGED IS ALMOST IRRELEVANT. GIVEN THE  
9 LIMITED VOLUME OF LOANS THAT WE'LL PROBABLY MAKE UNDER  
10 THIS PROGRAM AND THE WIDE VARIETY OF CONDITIONS UNDER  
11 WHICH THEY'LL MADE, AS IN THE AMOUNT OF COLLATERAL  
12 PLEDGED, THE SEVERITY OF THE HAZARD, AND THE ACTUAL COST  
13 OF THE ACTIONS, WE MAY NOT BE ABLE TO QUANTIFY WHAT  
14 SAVINGS AND INTEREST WILL EVER BE MADE DUE TO THE  
15 EXISTENCE OF A GUARANTEE.

16 AND DUE TO THE UNPREDICTABLE NATURE OF THE  
17 LOANS THAT MAY BE GUARANTEED IN THE FUTURE, HAZARDS THAT  
18 WILL BE COVERED BY THIS PROGRAM, WE FELT IT WAS  
19 UNFEASIBLE TO TRY TO RESTRICT THE INTEREST RATES THAT MAY  
20 BE CHARGED.

21 WE FELT THAT THE BORROWER AND LENDER SHOULD  
22 NEGOTIATE THESE RATES ACCORDING TO THEIR PARTICULAR  
23 CIRCUMSTANCES. AND ALSO NOTE THAT THE WIDE RANGE OF  
24 APPROVED LENDING INSTITUTIONS WILL ALLOW BORROWERS TO  
25 SHOP FOR LOANS. IF THEY CANNOT FIND SOMETHING ADEQUATE

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1 FROM ONE LENDER, THEY'RE UNDER NO OBLIGATION FROM US OR  
2 ANYBODY TO GO TO A PARTICULAR LENDER.

3 VICE CHAIRMAN MOSCONE: IS THERE ANY POSSIBILITY  
4 FOR DISCRIMINATION HERE, AS OPPOSED TO, SAY, ONE OF THE  
5 LARGE COMPANIES GETTING A LOWER INTEREST RATE BECAUSE  
6 THEY'VE GOT A REPUTATION, WHATEVER ELSE IT MIGHT BE, AS  
7 OPPOSED TO A SMALLER, WHO MAY HAVE TO PAY A HIGHER  
8 INTEREST RATE JUST BECAUSE OF THE FACT THAT HE IS SMALLER  
9 AND PROBABLY HAS A SMALLER CASH FLOW AND ALL OF THAT KIND  
10 OF THING?

11 MR. MYERS: THAT'S SORT OF THE NATURE OF  
12 BUSINESS LOANS, AND THAT THE GENERAL RISK THE LENDER IS  
13 ASSUMING, BASED ON THE BORROWER'S GENERAL CONDITION, IS  
14 GOING TO DETERMINE THE RATE HE MAY CHARGE THAT BORROWER.  
15 SO IT WOULDN'T BE A SENSE OVERT DISCRIMINATION, JUST  
16 NORMAL BUSINESS PRACTICE, THAT A MORE FINANCIALLY SOUND  
17 BORROWER IS LESS RISKIER THAN A LESS FINANCIALLY SOUND  
18 ONE. SO THERE PROBABLY COULD RESULT IN LOWER RATES TO  
19 LARGER ORGANIZATIONS OR OPERATORS, BUT YOU WOULD HAVE  
20 THAT WITH JUST ABOUT ANY BUSINESS LOAN.

21 VICE CHAIRMAN MOSCONE: LEGALLY, IS THERE ANY --  
22 BUT IT HAS TO BE AN ARM'S LENGTH AND ALL OF THAT KIND OF  
23 STUFF?

24 MR. MYERS: THAT'S WHAT WE'RE KEEPING IT. WE  
25 DON'T WANT TO GET OUR FINGERS INTO TELLING BANKS WHAT



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1 THEY HAVE TO CHARGE BASED ON COUNTLESS NUMBER OF  
2 VARIABLES THAT COULD BE ENCOUNTERED.

3 ATTORNEY CONHEIM: MR. CHAIRMAN,

4 VICE CHAIRMAN MOSCONE: MR. CONHEIM.

5 ATTORNEY CONHEIM: THE BANKING INDUSTRY IS BOUND  
6 BY FEDERAL AND STATE ANTIDISCRIMINATION LAWS, AND THE  
7 STATE CAN'T DISCRIMINATE IN THE APPLICATION OF ITS  
8 PROGRAMS. THOSE DISCRIMINATION LAWS RELATE TO THE  
9 CONSTITUTIONALLY SUSPECT CLASSES, LIKE RACE, COLOR, SEX,  
10 ETC. SO TO THE EXTENT THAT THE LAW PROVIDES FOR EQUAL  
11 TREATMENT AND NONDISCRIMINATION, IT BINDS THIS ENTIRE  
12 PROGRAM AND NO MORE CAN BE DONE.

13 BOARD MEMBER BREMBERG: MR. CHAIRMAN,

14 VICE CHAIRMAN MOSCONE: MRS. BREMBERG.

15 BOARD MEMBER BREMBERG: I KNOW IT'S DEFINED, BUT  
16 YOU AND I AND EVERYBODY IN THIS ROOM KNOWS THAT UNLESS  
17 YOU HAVE COLLATERAL, YOU CAN'T GET A LOAN. AND UNLESS  
18 YOU HAVE A LOT OF COLLATERAL, YOU CAN'T GET A SIZABLE  
19 LOAN. YOU CAN'T JUST WALK IN OFF THE STREET AND SAY,  
20 "I'VE HAD A CHECKING ACCOUNT AT YOUR BANK FOR 45 YEARS,  
21 BUT I DON'T HAVE ANYTHING ELSE. GIVE ME A LOAN OF  
22 \$10,000." THEY'LL SAY, "THANK VERY MUCH. GO NEXT DOOR."

23 AND DISCRIMINATION IS BUILT IN WHETHER THE  
24 LAW SAYS IT OR NOT. I THINK JOHN'S ABSOLUTELY CORRECT.  
25 IT'S AN AUTOMATIC AND IT'S A GIVEN THAT THERE'S GOING TO



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1 BE DISCRIMINATION; AND AS LONG AS WE REITERATE THE LAW  
2 AND DO EVERYTHING IN OUR POWER TO SEE THAT IT DOESN'T  
3 HAPPEN, I WOULD SUGGEST THAT WE'VE DONE EVERYTHING WE CAN  
4 BECAUSE IT EXISTS AND IT WILL CONTINUE TO EXIST. SO  
5 SAYING THAT THE LAW PROTECTS THEM ISN'T TRUE.

6 ATTORNEY CONHEIM: THERE'S BIG D AND LITTLE D  
7 DISCRIMINATION. BIG D DISCRIMINATION HAS BEEN PROTECTED  
8 SINCE THE CIVIL WAR AND THAT'S WHAT WE MUST LOOK AT.

9 BEYOND THAT, THIS PROGRAM IS DESIGNED SO  
10 THAT WE DO NOT GET IN THE BANKING BUSINESS THE WAY THE  
11 BANKS DO. AND IF THE BORROWER FEELS THAT HE OR SHE HAS  
12 BEEN DISCRIMINATED AGAINST, HE OR SHE HAS REMEDIES.

13 BOARD MEMBER BREMBERG: THEN THE BURDEN IS ON  
14 THE DISCRIMINATEE TO PAY OUT THE MONEY TO PROVE THAT THEY  
15 WERE PICKED ON. THEY NEEDED THE MONEY TO BEGIN. THEY  
16 DON'T NEED TO SPEND MONEY THEY DON'T HAVE TO DEFEND AN  
17 INDEFENSIBLE POSITION BY THE BANK.

18 ATTORNEY CONHEIM: THE ISSUES YOU RAISE, THERE  
19 IS LITTLE THAT WE CAN, UNDER THE AUTHORIZING LEGISLATION,  
20 DO ABOUT IT.

21 MR. MYERS: UNDER SECTION 9, APPLICATION FOR  
22 LOAN GUARANTEES, SUBSECTIONS 9, (B)1 THROUGH 9, WE MADE  
23 SEVERAL CHANGES JUST TO REORGANIZE THE INFORMATION WE'RE  
24 ASKING FOR TO MAKE THE REGULATIONS CLEARER, BUT THE SAME  
25 INFORMATION IS STILL BEING REQUIRED OF AN APPLICANT.



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1                   HOWEVER, IN SUBSECTION 10, WE MADE A  
2 CHANGE, PER YOUR DIRECTION, TO STRIKE THE WORDING "IF  
3 PROVIDED," SO THAT THAT SECTION 10 NOW READS: A WRITTEN  
4 COMMITMENT FROM THE BORROWER THAT THE LOAN GUARANTEE WILL  
5 BE USED TO FUND THE CORRECTIVE ACTION BEING REQUIRED.  
6 YOU ASKED THAT THIS BE STRICKEN JUST BECAUSE IT'S  
7 AMBIGUOUS.

8                   UNDER SUBSECTION 11, AGAIN AT YOUR  
9 DIRECTION, WE ADDED THE WORDING AT THE END OF THAT  
10 SECTION "INCLUDING, BUT NOT LIMITED TO, THE LANDFILL'S  
11 LATEST SOLID WASTE ASSESSMENT TEST REPORTS IF  
12 APPLICABLE."

13                   YOU ASKED THAT THIS INFORMATION ALSO BE  
14 SUPPLIED AS IT PROVIDES A MORE CURRENT EVALUATION OF THE  
15 LANDFILL'S COMPLIANCE WITH APPLICABLE LAWS AND  
16 REGULATIONS, WHICH IS ALSO COVERED UNDER THE CRITERIA  
17 SECTION, SUBSECTION 2(C) ON ITS RECORD OF COMPLIANCE.

18                   UNDER SUBSECTION 18, YOU ASKED THAT IT BE  
19 CLARIFIED THAT THE APPLICATION FEE OF \$250 BE A MINIMUM  
20 FEE, SO WE ADDED THE WORD "MINIMUM." SO THAT IT WILL BE  
21 CLEAR THAT IN ALL CASES THAT THE APPLICATION FEES WILL BE  
22 AT LEAST THIS AMOUNT.

23                   AND JUST BELOW THAT WE ADDED A PASSAGE "THE  
24 ABOVE INFORMATION WILL BE CONSOLIDATED INTO THE  
25 APPROPRIATE FORMS TO BE MADE AVAILABLE TO APPLICANTS AT

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1 THE BOARD'S PRINCIPAL PLACE OF BUSINESS OR UPON REQUEST."  
2 WE ADDED THIS PASSAGE JUST TO CLARIFY OUR INTENTION TO  
3 PROVIDE APPLICATION FORMS TO ANY APPLICANTS. THAT WAS  
4 ALL THE CHANGES TO OUR APPLICATION SECTION.

5 UNDER SECTION 10, WHICH BEGINS ON PAGE 48  
6 OF YOUR PACKAGE, AT YOUR DIRECTION AT THE NOVEMBER  
7 MEETING, YOU REQUESTED THAT THE TIME ALLOWED FOR REVIEW  
8 OF APPLICATIONS BE EXTENDED FROM 60 TO 90 DAYS. SO WE  
9 CHANGED THE WORDING IN SUBSECTION (B) TO REFLECT THAT.  
10 AND, ALSO, IN THIS SAME TOPIC, YOU REQUESTED THIS  
11 EXTENSION, AS WELL AS YOU ASKED IF IT WAS REQUIRED THAT  
12 WE INCLUDE -- THAT WE REQUIRE OURSELVES TO MAKE THIS  
13 DETERMINATION, AND WE HAVE SINCE VERIFIED WITH THE STAFF  
14 COUNSEL THEIR INTERPRETATION, THAT WE DO NEED TO STATE  
15 THIS INTENTION OF OURS OR REQUIRE OURSELVES TO ACT IN  
16 THIS LENGTH OF TIME. THAT WAS ALL THE CHANGES TO SECTION  
17 10.

18 UNDER SECTION 11 ON PAGE 49 IN YOUR  
19 PACKAGE, REPORT OF FUND CONDITION, THERE WERE NO CHANGES  
20 RECOMMENDED.

21 IF THERE ARE NO QUESTIONS ON THESE SECTIONS  
22 I'VE COVERED, I'D LIKE TO LET MR. VAN HAHN CONTINUE ON.

23 VICE CHAIRMAN MOSCONE: PROCEED, NGUYEN.

24 MR. VAN HAHN: SECTION 12, DEFAULT CLAIMS  
25 PROCEDURES, THERE ARE SOME NEW WORDING PHRASES,



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1 ESPECIALLY UNDER SUBSECTION (C). IN PARTICULAR, IN THIS  
2 SUBSECTION (C) HERE, THE BOARD IN ITS NOVEMBER MEETING  
3 ASKED THAT ADDITIONAL CLARIFICATION BE INCLUDED HERE.  
4 AND IT READS IN SUBSECTION (C): THE LENDER MAY FILE WITH  
5 THE BOARD ITS CLAIM FOR PAYMENT UNDER TERMS OF THE  
6 GUARANTEE AS STIPULATED IN SECTION 13 AFTER THE  
7 LIQUIDATION PLAN PROVIDED TO THE BOARD HAS BEEN EXECUTED  
8 AND ALL OTHER METHODS TO RECOVER THE DEFAULTED LOAN HAVE  
9 BEEN EXHAUSTED AND NO EARLIER THAN THE NINETIETH DAY OF  
10 THE DELINQUENCY.

11 AGAIN, LET ME ELABORATE ON THIS POINT  
12 BECAUSE IT RAISED SOME OPPOSING VIEWS FROM OUR FURTHER  
13 CONTACTS WITH THE FINANCIAL INSTITUTIONS. BASICALLY, IN  
14 THE REAL FINANCIAL WORLD, IT HAS BEEN A COMMON PRACTICE  
15 THAT THE GOVERNMENT AGENCIES PAY FOR A VALID CLAIM WITHIN  
16 CERTAIN TIME FRAME THAT'S CONSIDERED ACCEPTABLE, AND THAT  
17 CREATES A FEELING OF TRUST BETWEEN THE LENDERS AND THE  
18 GUARANTOR IN THIS CASE.

19 HOWEVER, THE OTHER SIDE OF THE COIN IS THAT  
20 THE BOARD WOULD LIKE THE LENDER HOLDING DEFAULTED LOANS  
21 TO DO EVERYTHING POSSIBLE IN ASKING THE LENDER TO  
22 IMPLEMENT OR EXECUTE THEIR LIQUIDATION PLAN BEFORE COMING  
23 TO THE BOARD WITH A CLAIM. SO THESE TWO OPPOSING VIEWS  
24 ARE DIFFICULT TO BE RESOLVED. .

25 WE UNDERSTAND THAT, IN ORDER FOR A



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1 GOVERNMENT AGENCY AS A GUARANTOR TO BE SUCCESSFUL, THE  
2 FAITH THAT IT HAS WITH THE LENDING COMMUNITY, THE TRUST  
3 IS VERY IMPORTANT. WE FEEL THAT THIS IS AN AREA THAT  
4 PERHAPS WE COULD BENEFIT FROM THE ADVICE FROM MR. JIM  
5 YOUNG OF DEPARTMENT OF COMMERCE, WHO WILL BE INVITED TO  
6 MAKE SOME COMMENT IN THIS REGARD.

7 OTHER SECTIONS -- SUBSECTION IN THIS  
8 PARTICULAR SECTION HERE WOULD BE TO THE EFFECT THAT THE  
9 DELETED LANGUAGE IS NO LONGER NECESSARY. SO AT THIS TIME  
10 I WOULD THINK THAT IT WOULD BE -- I WOULD LIKE TO  
11 RECOMMEND TO THE BOARD THAT WE INVITE MR. JIM YOUNG TO  
12 SHARE WITH US HIS VIEW REGARDING THIS PARTICULAR OPPOSING  
13 VIEWS IN THE LANGUAGE WE HAVE HERE. MR. CHAIRMAN.

14 VICE CHAIRMAN MOSCONE: MR. YOUNG.

15 MR. YOUNG: GOOD AFTERNOON. I AM, AS MR. VAN  
16 HAHN SAID, JIM YOUNG FROM THE DEPARTMENT OF COMMERCE, AND  
17 I WAS AT YOUR NOVEMBER MEETING IN SAN DIEGO. AND YOU  
18 MIGHT REMEMBER THAT I ASKED AT THAT TIME FOR AN AMENDMENT  
19 IN YOUR REGULATIONS WHEREBY STATE AND FEDERAL AGENCIES  
20 COULD ALSO BE QUALIFIED AS ELIGIBLE LENDERS IN THIS  
21 PROGRAM. AND I HAVE SHARED WITH YOUR STAFF SOME  
22 PROPOSALS THAT WE HAVE NOW WITH THE CALIFORNIA POLLUTION  
23 FINANCE CONTROL, WHEREBY WE WOULD BE INVOLVED IN MAKING  
24 DIRECT LOANS.

25 AND WE LOOK AT THIS LOAN GUARANTEE PROGRAM

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1 THAT YOU'RE CONSIDERING TODAY AS BEING SOMETHING THAT  
2 WE'RE INTERESTED. WE'LL BE THE DIRECT LENDERS, AND YOUR  
3 BOARD WOULD BE THE GUARANTORS. AND I MUST TELL YOU THAT  
4 WE DO HAVE SOME GRAVE CONCERNS ABOUT THIS LANGUAGE THAT'S  
5 IN THE DEFAULT PROCEDURES. AND I CAN CATEGORICALLY  
6 STATE, IF YOU KEEP THIS LANGUAGE IN, WE WON'T  
7 PARTICIPATE. AND IF WE'RE THE GOVERNMENT AND, HOPEFULLY,  
8 PROBABLY YOUR MOST LIBERAL LENDERS, I CAN SOMEWHAT SPEAK  
9 FOR PRIVATE FINANCIAL INSTITUTIONS, THAT THEY WON'T  
10 PARTICIPATE EITHER IF YOU LEAVE THIS LANGUAGE IN.

11 YOU ARE BASICALLY SAYING HERE THAT YOU WILL  
12 NOT PAY UNTIL AFTER US, AS LENDERS, HAVE EXHAUSTED --  
13 WHAT WAS THE WORDING HERE -- EXHAUSTED ALL OUR REMEDIES  
14 TO COLLECT. YOU ARE BASICALLY TELLING US THAT WE HAVE TO  
15 GO THROUGH AND SUE THE BORROWER. YOU KNOW, HOW LONG IS A  
16 SUIT GOING TO TAKE, LIKE SEVEN YEARS IN SAY MOST SUPERIOR  
17 COURTS IN THIS STATE. YOU ARE ALSO SAYING THAT IF THE  
18 BORROWER GOES THROUGH BANKRUPTCY, WHICH WOULD BE A VERY  
19 COMMON THING THAT HAPPENED, YOU'D HAVE TO WAIT OUT THE  
20 WHOLE ENTIRE BANKRUPTCY. AND YOU ARE SAYING THAT I HAVE  
21 TO ALSO FORECLOSE ON ALL THE COLLATERAL.

22 THE EXPENSES INVOLVED IN US PURSUING A  
23 BORROWER LIKE THAT, IT JUST NEGATES THE REASON FOR HAVING  
24 A LOAN GUARANTEE PROGRAM. AND ALSO, LIKE YOUR STAFF HAS  
25 TOLD YOU, THIS RUNS COUNTER TO EVERY OTHER GOVERNMENT

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1 LOAN GUARANTEE PROGRAM. THE SBA DOES NOT REQUIRE THIS.  
2 OUR STATE LOAN GUARANTEE PROGRAM DOES NOT REQUIRE THIS.  
3 I'M JUST SORRY. IT'S NOT GOING TO BE A WORKABLE DEAL AS  
4 FAR AS THE LENDERS ARE CONCERNED.

5 VICE CHAIRMAN MOSCONE: ONE OF THE QUESTIONS --  
6 EXCUSE ME, MRS. BREMBERG, BEFORE I FORGET -- I WAS GOING  
7 TO ASK THE AGENCY THAT YOU MENTIONED COULD PARTICIPATE IN  
8 THIS, AND I'M GLAD THAT YOU BROUGHT THAT OUT.

9 MRS. BREMBERG.

10 BOARD MEMBER BREMBERG: I WAS JUST GOING TO SAY  
11 WHAT LANGUAGE DOES THE SBA AND DO YOU PRESENTLY HAVE, AND  
12 I WAS THINKING, AS I LOOKED AT THIS AND AS YOU WERE  
13 SPEAKING, WOULD THE ADDITION OF THE WORDS LIKE "ORDINARY"  
14 BENEFIT?

15 MR. YOUNG: NO. MY SUGGESTION IS JUST LEAVE IT  
16 AS IT PREVIOUSLY WAS, THAT WE GET PAID OFF AT THE 90-DAYS  
17 DELINQUENCY, AND THAT'S HOW IT IS STATED IN OUR STATE  
18 LOAN GUARANTEE PROGRAM'S REGULATIONS, THAT THE LENDER  
19 GETS PAID OFF.

20 NOW, HE IS NOT -- IF HE SAYS TO YOU, I WANT  
21 TO BE PAID OFF, THE MAN IS 90 DAYS DELINQUENT, THE PERSON  
22 IS 90 DAYS DELINQUENT, NOW HE THEN HAS TO CHARGE OFF HIS  
23 PORTION, PLUS ANY ACCRUED INTEREST THAT MIGHT BE THERE.  
24 AND, YOU KNOW, THERE'S -- THAT DOESN'T PRECLUDE THE  
25 OPPORTUNITY FOR THE LENDER TO STAY IN THE PROCESS,

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1 ESPECIALLY IF HE HAS, SAY, FOR EXAMPLE, A LOWER LOAN TO  
2 GUARANTEE. AND THAT WOULD -- HE MAY WANT TO STAY IN THE  
3 PROCESS, BUT THE WAY THESE REGULATIONS, HE'S ABSOLUTELY  
4 BOUND TO STAY IN THE COLLECTION AND LIQUIDATION PROCESS,  
5 WHICH IS VERY UNAPPEALING TO THE LENDER.

6 AS YOU PROBABLY KNOW, ON A SBA LOAN, THE  
7 SBA PAYS THE LENDER OFF PROMPTLY, AND THE SBA GOES AHEAD  
8 AND LIQUIDATES THE COLLATERAL, AND THAT THE FEDERAL  
9 STATUTES AND HOW IT'S DONE.

10 BOARD MEMBER BREMBERG: ARE ALL THE OTHER STATE  
11 AGENCIES OPERATING UNDER THE SYSTEM THAT YOU JUST  
12 MENTIONED?

13 MR. YOUNG: WELL --

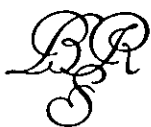
14 BOARD MEMBER BREMBERG: WOULD WE BE THE ONLY  
15 ONES OUT OF STEP, IN OTHER WORDS?

16 MR. YOUNG: AS WELL AS I KNOW ALL THE LOAN  
17 GUARANTEE PROGRAMS, YES, I THINK YOU WOULD BE THE ONLY  
18 ONE OUT OF STEP. I CAN'T REALLY SPEAK -- PROBABLY THE  
19 LARGEST LOAN GUARANTEE PROGRAM IS THE STUDENT LOAN  
20 GUARANTEE PROGRAMS, AND I'M NOT REALLY FAMILIAR WITH  
21 THEIR PROCEDURES. BUT AGAIN, I DO THINK THAT THE LENDERS  
22 GET PAID OFF IN A HURRY ON THAT PROGRAM. THE BIGGEST  
23 LOAN GUARANTEE PROGRAM PROBABLY IS STUDENT LOANS, BUT I'M  
24 NOT FAMILIAR WITH THEIR STATUTES. I AM FAMILIAR WITH SBA  
25 AND I AM FAMILIAR WITH THE STATE SMALL BUSINESS LOAN

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1 GUARANTEE PROGRAMS, AND YOU ARE OUT OF STEP WITH THEM.

2 BOARD MEMBER BREMBERG: WOULD YOU THEN SUGGEST  
3 WE GO BACK TO THE ORIGINAL --

4 MR. YOUNG: YES, GO BACK TO ORIGINAL PROPOSED  
5 LANGUAGE.

6 BOARD MEMBER BREMBERG: -- LANGUAGE AND  
7 ELIMINATE ALL OF THE ADDITIONAL --

8 MR. YOUNG: ALL THIS ABOUT LIQUIDATION PLANS AND  
9 EXHAUSTING -- THE LENDER HAVING TO EXHAUSTING ALL HIS  
10 AVENUES OF COLLECTION, YES, I WANT THAT ELIMINATED. IF  
11 YOU ARE GOING TO BE IN THE LOAN GUARANTEE BUSINESS, YOU  
12 FOLKS BETTER BE PREPARED TO, YOU KNOW, BEAR THE LEGAL  
13 COST AND COLLECTIONS AND BE PREPARED TO COLLECT FROM THE  
14 BORROWER BECAUSE, YOU KNOW, THAT'S JUST HOW IT'S DONE IN  
15 GOVERNMENT PROGRAMS. PLUS, YOU KNOW, WE HAVE -- WE'LL  
16 HAVE A LIMITED AMOUNT OF MONEY TO GO THROUGH COLLECTION  
17 AND LEGAL EXPENSES IN OUR POOL OF MONEY; AND IF WE  
18 HAVE -- YOU KNOW, THERE'S JUST NO BENEFIT PARTICIPATING  
19 IN THIS GUARANTEE PROGRAM IF YOU PUT THAT BURDEN ON US.  
20 WE'LL JUST EITHER MAKE A DECISION, YES, WE'LL LOAN THE  
21 MONEY TO THE MAN OR NO AND SKIP THE GUARANTEE.

22 BOARD MEMBER BEAUTROW: I'VE GOT A QUESTION.

23 VICE CHAIRMAN MOSCONE: MR. BEAUTROW.

24 BOARD MEMBER BEAUTROW: MAYBE SOMEBODY COULD  
25 THERE ON THE STAFF ANSWER THIS. IN OTHER WORDS, THIS



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1 \$5-MILLION POT OF MONEY EVERY YEAR THAT IS ALLOCATED FOR  
2 THE LOANS, THAT'S BY THE STATUTE. AND I TAKE IT THAT  
3 THAT CAN ACCUMULATE IF NOBODY USES IT, I ASSUME. YOU  
4 MEAN IT ONLY GOES UP TO FIVE MILLION -- IF NOBODY -- IT  
5 COULD ESCALATE. CAN WE USE THAT MONEY OURSELVES TO PAY  
6 SOME OF LEGAL COSTS. IS THAT INVIOULATE.

7 MR. OLDALL: ONLY FOR GIVING OUT.

8 BOARD MEMBER BEAUTROW: SO IT HAS TO COME FROM  
9 OTHER SOURCES. I WOULD SUGGEST THAT WE NOT GET OUT OF  
10 STEP WITH THE REST OF THE INDUSTRY.

11 VICE CHAIRMAN MOSCONE: PARTICULARLY, I THINK  
12 OVER THE YEARS WE'VE BEEN GOING ALONG CPCFA, AND WE'VE  
13 HAD A GOOD DEAL OF OUR PROJECTS HAVE GONE THROUGH CPCFA,  
14 AND I WOULD CERTAINLY NOT WANT TO LOSE THAT AVENUE.

15 BOARD MEMBER VARNER: MR. CHAIRMAN.

16 VICE CHAIRMAN MOSCONE: MR. VARNER.

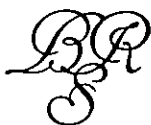
17 BOARD MEMBER VARNER: THEN THAT BRINGS ONE  
18 QUESTION OF MINE THAT PROBABLY THE STAFF CAN ANSWER.  
19 THEN YOU WOULD HAVE TO ASSUME THAT SOMEWHERE SOONER OR  
20 LATER YOU WOULD HAVE TO FORECLOSE ON SOME OF THESE AND GO  
21 THROUGH THE LEGAL COST OF WHATEVER. DO WE HAVE FUNDS  
22 AVAILABLE TO US TO DO THAT SORT OF THING?

23 MR. EOWAN: WELL, WE -- WE HAVE AN AMOUNT SET  
24 ASIDE FOR THE ADMINISTRATION OF 2448 COMPLETELY. THAT  
25 INCLUDES EVERYBODY, BASICALLY 20 PEOPLE. AND WE HAVE

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1 MONEY WITHIN THAT FUND THAT IS SET ASIDE FOR DIFFERENT  
2 KINDS OF ACTIVITIES. I DON'T KNOW, THOUGH, THAT WE  
3 REALLY ARE GOING TO BE READY FOR A LOT OF DEFAULTS, A LOT  
4 OF LEGAL ACTIONS AT THIS STAGE.

5 NOW, WHEN WE GET INTO THE LOAN GUARANTEE  
6 BUSINESS TWO OR THREE YEARS DOWN THE ROAD, WHEN WE'RE  
7 ACTUALLY OUT THERE GUARANTEEING LOANS, IT WILL BE A TIME  
8 FOR US TO REEVALUATE HOW WE'RE SPENDING THAT ALOTTED  
9 AMOUNT OF ADMINISTRATIVE MONIES. IT'S REALLY, AT THIS  
10 POINT, NOT THE RIGHT TIME TO DO THAT, I DON'T THINK,  
11 BECAUSE WE HAVE TO USE THOSE MONIES TO DEVELOP THE  
12 REGULATIONS AND ALL THE OTHER KINDS OF THINGS WE'RE DOING  
13 TO GET READY TO GO. THAT'S WHERE THE MONEY WOULD COME  
14 FROM.

15 BOARD MEMBER VARNER: ALL RIGHT. THE POINT I'M  
16 GETTING TO, THIS MAY NOT BE THE TIME, BUT IT CERTAINLY  
17 SHOULD BE A THING THAT WE KEEP IN MIND BECAUSE THAT'S ONE  
18 OF THE PROBLEMS BEING A SMALL AGENCY. WE DON'T HAVE A  
19 WHOLE LOT OF MONEY TO SPARE, SO WE DON'T WANT TO GET  
20 OURSELVES CAUGHT IN A SITUATION THAT WE CAN'T HANDLE  
21 EITHER. SO THAT'S SOMETHING THAT NEEDS TO BE BROUGHT TO  
22 SOMEBODY'S ATTENTION, THE LEGISLATURE OR WHOEVER, TO HAVE  
23 CONTINGENT- -- SOME TYPE OF A CONTINGENCY IN CASE THE  
24 WORST HAPPENS.

25 AND I THINK THAT THE LANGUAGE THAT WE WERE

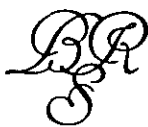
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1 TRYING TO DEVELOP THIS IN ORDER TO PROTECT OURSELVES IN  
2 THAT RESPECT. SO IF WE CAN'T DO IT THIS WAY, WE NEED TO  
3 DO IT IN SOME OTHER MANNER, AT LEAST ADDRESS THAT AND NOT  
4 GET OURSELVES CAUGHT IN A SITUATION WE COULDN'T COMPLETE.

5 VICE CHAIRMAN MOSCONE: MR. ARAKALIAN.

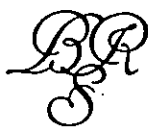
6 BOARD MEMBER ARAKALIAN: I'D LIKE TO ASK THE  
7 GENTLEMAN STANDING THERE -- I'M SORRY, I DIDN'T GET YOUR  
8 NAME -- YOU'RE MORE KNOWLEDGEABLE ABOUT THIS, EXPERIENCED  
9 ABOUT THIS. WE'RE NOT INVENTING THE WHEEL HERE. IF  
10 OTHER AGENCIES THAT YOU'RE FAMILIAR WITH ARE DOING THE  
11 LENDING, HOW DO THEY GO ABOUT THAT? IF WE HAVE SO MUCH  
12 2448 MONEY TO SPEND AND WE HAVE SPEND OTHER MONIES FOR  
13 EXPENDITURES TO COLLECT LOANS, IF IT COMES TO THAT,  
14 WHICH IT PROBABLY WILL IN MANY CASE, WHERE DOES THIS  
15 MONEY COME FROM, FROM THE ALLOCATED MONEY FOR LOANING?  
16 OR DO WE HAVE TO COME OUT OF OUR OWN BUDGET TO DO THIS  
17 WITH?

18 MR. YOUNG: IT'S INTERESTING YOU BROUGHT THAT  
19 POINT UP BECAUSE WE DO HAVE IN OUR DEPARTMENT SEVERAL  
20 DIFFERENT PROGRAMS. IN ADDITION TO OUR LOAN GUARANTEE  
21 PROGRAM, WE HAVE TWO DIRECT LOAN PROGRAMS, ONE OF WHICH  
22 IS HAZARDOUS WASTE GENERATOR. AND THAT ONE, WE'VE --  
23 THERE'S A SOMEWHAT SIMILAR TO YOU -- WE HAVE \$3 MILLION  
24 THAT'S SITTING AROUND IN THE STATE TREASURER'S OFFICE,  
25 AND THE INTEREST THAT'S BEEN EARNED ON THE MONEY WE'VE

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1 EARMARKED THAT SPECIFICALLY FOR COLLECTION COSTS AND  
2 LEGAL EXPENSES. AND ALSO OUR BORROWERS ARE GOING TO PAY  
3 A LOAN FEE, AND THAT LOAN FEE IS GOING INTO THE KITTY FOR  
4 PAYING COLLECTION COSTS AND LEGAL EXPENSES. AND SO  
5 THAT'S HOW WE DO IT.

6 BOARD MEMBER ARAKALIAN: MAY I ASK YOU: WAS  
7 THAT SET UP THAT WAY BY YOU, OR IS THAT AN AUTOMATIC  
8 SITUATION? IN OTHER WORDS, DID YOU INCORPORATE THAT  
9 RULING, THAT YOU WILL USE YOUR INTEREST MONEY FOR THAT,  
10 ETC., SO YOU WOULD THEN HAVE TO DO SOMETHING SIMILAR IF  
11 IT WAS DONE BY YOU.

12 MR. YOUNG: NO. WE PUT IT OUR REGULATIONS, THAT  
13 OUR LOAN FEE GOES INTO THIS POT AND THIS INTEREST GOES  
14 INTO THIS POT.

15 BOARD MEMBER ARAKALIAN: YOU ALREADY ANSWERED A  
16 WHOLE LOT OF OUR QUESTIONS FOR US, DIDN'T YOU?

17 VICE CHAIRMAN MOSCONE: MRS. BREMBERG.

18 BOARD MEMBER BREMBERG: THIS MAY BE TOO  
19 PRACTICAL AND TOO SIMPLISTIC, BUT I THINK THAT THE S & L  
20 EXPERIENCE ON BAD LOANS IS SOMETHING THAT WE SHOULD ALL  
21 TAKE TO HEART. AND WHAT'S WRONG WITH CAREFUL SCREENING  
22 BEFORE YOU GIVE THE LOANS INSTEAD OF WORRYING JUST  
23 HANDING OUT MONEY, EXPECTING THEM TO BECOME DELINQUENT,  
24 EXPECTING THEM TO DEFAULT, AND WORRYING ABOUT HOW WE'RE  
25 GOING TO COLLECT? HOW ABOUT BEING CAREFUL UP FRONT?

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1 MR. YOUNG: AS A LENDER, I COULDN'T AGREE WITH  
2 YOU MORE. TO ANSWER SAM'S QUESTION, A PREVIOUS QUESTION,  
3 WHY WOULD WE LEND MONEY TO A GUY THAT'S GOING OUT OF  
4 BUSINESS? EVEN IF I HAVE JUST 10 PERCENT OF THE TOTAL  
5 LOAN AT RISK, I'M NOT GOING TO LOAN TO A GUY THAT'S GOING  
6 OUT OF BUSINESS. SO YOU DON'T HAVE TO WORRY ABOUT THAT  
7 TOO MUCH. AND GRANTED, WE'RE GOING TO BE VERY PRUDENT.  
8 WE DON'T WANT TO LOSE OUR 10 PERCENT. NATURALLY, YOU  
9 FOLKS WILL LOSE THE BIGGER PORTION.

10 BOARD MEMBER ARAKALIAN: ALTHOUGH YOU DON'T  
11 EXPECT THEM TO COME BACK, THE MOST CONSERVATIVE BANKING  
12 HOUSES IN TOWN STILL HAVE A PERCENTAGE THAT RICOCHET.  
13 YOU HAVE TO BE PREPARED FOR AN --

14 MR. YOUNG: THAT'S WHY WE'RE LOOKING AT THE  
15 REGULATIONS RIGHT NOW, AND WE'RE SAYING WHAT IS THE WORST  
16 CASE BASIS. WHAT YOU'VE GOT HERE JUST UNACCEPTABLE.

17 VICE CHAIRMAN MOSCONE: MR. VARNER.

18 BOARD MEMBER VARNER: MR. CHAIRMAN, THEN IN VIEW  
19 OF THAT, WE'VE GONE THROUGH A NUMBER OF THESE THINGS. I  
20 WOULD MAKE THE SUGGESTION THAT OUR STAFF INVESTIGATE WHAT  
21 IS THE STANDARD TYPE OF APPROACH TO THIS SORT OF THING  
22 THAT OTHER PEOPLE, WHO ARE OBVIOUSLY ARE IN THIS THING,  
23 ARE DOING, AND THEN LET'S DRAFT OUR LANGUAGE AND OUR  
24 PROCEDURES AND SO FORTH THAT WOULD BE CONFORMING WITH ALL  
25 THE OTHER PEOPLE THAT WE HAVE TO WORK WITH.

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1 MR. EOWAN: APPRECIATE THAT. THAT'S WHAT WE'LL  
2 DO.

3 BOARD MEMBER VARNER: WE CAN BEAT THIS HORSE TO  
4 DEATH --

5  
6 BOARD MEMBER ARAKALIAN: WE'RE SITTING HERE  
7 REINVENTING THE WHEEL OR TRYING TO, YOU KNOW.

8 VICE CHAIRMAN MOSCONE: ANY OTHER COMMENTS OR  
9 QUESTIONS? THANK YOU, MR. YOUNG.

10 MR. YOUNG: IF I COULD, PLEASE, I'D LIKE TO TAKE  
11 YOU BACK JUST A LITTLE. ONE OTHER AREA THAT GIVES US  
12 SOME CONCERNS, AND THAT'S THIS SECTION THAT WAS COVERED  
13 EARLIER ABOUT -- THIS IS IN YOUR, I THINK, IT'S SECTION  
14 2, AND IT'S IN THE PROPOSED LANGUAGE (F) WHERE IT SAYS,  
15 "THE LOAN TO BE GUARANTEED WILL BE SECURED BY SUCH  
16 COLLATERAL WITH THE MARKET VALUE NO LESS THAN 75 PERCENT  
17 OF THE GUARANTEED PORTION."

18 NOW, AGAIN, YOUR OWN STAFF EXPRESSED  
19 CONCERNS ON THIS. I'M HERE TO REINFORCE IN YOUR MINDS  
20 THAT THIS IS A PROBLEM AREA. AND PROBABLY I WOULD,  
21 AGAIN, ADVISE YOU TO GO BACK TO THE ORIGINAL LANGUAGE AS  
22 PROPOSED THERE WHERE IT JUST SAYS, "WILL BE SECURED BY  
23 SUCH COLLATERAL AS THE BOARD REQUIRES," PERIOD.

24 BECAUSE THIS 75 PERCENT, FIRST OF ALL, AS  
25 WAS EXPRESSED BY YOUR STAFF, YOU'RE MISSING THE POINT IF



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1 YOU'RE FOCUSING ON THE COLLATERAL. THE REAL THING THAT  
2 BANKERS LOOK AT IS THE CASH FLOW AND THE ABILITY TO  
3 REPAY. AND COLLATERAL IS A SORT OF SECONDARY ISSUE. AND  
4 SO IF WE DON'T SEE THE ABILITY TO REPAY, THIS WHOLE  
5 COLLATERAL ISSUE IS KIND OF MOOT ANYHOW.

6 THE OTHER THING IS I'VE BEEN IN ENOUGH  
7 GOVERNMENT LENDING PROGRAMS TO KNOW THAT THIS 75 PERCENT,  
8 THESE KIND OF RESTRICTIONS THAT YOU PUT INTO YOUR  
9 REGULATIONS, WHAT HAPPENS IS THEY GET MICKEY MOUSED  
10 AROUND. WHAT I MEAN BY THAT IS THAT THE STAFF, THEY WANT  
11 TO MAKE THE DEAL, AND THEY'RE JUST SCRAMBLING TO GET THIS  
12 75 PERCENT COLLATERAL SITUATION TAKEN CARE OF. AND THEY  
13 GET REAL SLOPPY IN THAT WHAT IS IT THAT ESTABLISHES  
14 MARKET VALUE.

15 WELL, THAT'S ONE THING THAT NEEDS TO BE  
16 DEFINED. AND SO IN MY OPINION, AS A CONSERVATIVE BANKER,  
17 IT'S AN APPRAISAL, PREFERABLY BY AN MIA APPRAISAL. AND  
18 WHEN WE'RE TALKING ABOUT WHAT EQUITY HE HAS IN THE  
19 PROPERTY, WE'RE TALKING ABOUT GETTING A BENEFICIAL  
20 STATEMENT FROM THE HOLDER OF THE FIRST, SO YOU REALLY SEE  
21 WHAT YOU'VE GOT THERE. WHAT I'VE SEEN IN SO MANY LENDING  
22 PROGRAMS IS THEY TAKE JUST THE NUMBER OFF THE MAN'S  
23 FINANCIAL STATEMENT. HE SAYS, WELL, HIS HOUSE IS WORTH  
24 \$300,000, AND HE SAYS HE ONLY OWES \$90,000. THAT'S GOOD  
25 ENOUGH FOR US AND THEY PROCEED ON WITH THE LOAN.

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1                   WHAT YOU REALLY WANT TO DO HERE IS YOU WANT  
2 TO JUST LEAVE THIS KIND OF LANGUAGE OUT AND WORK ON THESE  
3 THINGS ON A CASE-BY-CASE BASIS. THERE MAY BE SITUATIONS  
4 WHERE, INDEED, YOU DON'T WANT TO GET AN APPRAISAL. MAYBE  
5 THE EQUITY SO SMALL THAT IT'S NOT WORTH THE EXPENSE. BUT  
6 I DON'T THINK YOU WANT TO BE LOCKED INTO THIS KIND OF  
7 LANGUAGE IN THE REGULATION PHASE.

8                   VICE CHAIRMAN MOSCONE: WAS THIS ONE OF THE  
9 RECOMMENDATIONS MADE BY THE ADVISORY COMMITTEE, THIS 75  
10 PERCENT THING?

11                  MR. MYERS: YES.

12                  MR. YOUNG: BESIDES I THINK THIS WHOLE PROGRAM,  
13 IF I READ IT RIGHT, THE REAL EMPHASIS, THE PRIMARY GOAL,  
14 AS YOU SAY YOURSELF, IS IN MITIGATING HEALTH HAZARDS TO  
15 THE PUBLIC. WHAT IF A GUY JUST HAD, YOU KNOW, 74 PERCENT  
16 COLLATERAL? THEN YOU DON'T DO THE DEAL?

17                  BOARD MEMBER ARAKALIAN: AS YOU SAY, THE AMOUNT  
18 OF COLLATERAL IS INSIGNIFICANT COMPARED TO HIS ABILITY TO  
19 PAY. I MEAN, IF HE HAS \$1.98 PROFIT AT THE END OF THE  
20 MONTH, YOU CERTAINLY CAN'T WRITE UP A LOAN THAT HAS A \$2  
21 PAYMENT, REGARDLESS OF IT, UNLESS YOU'RE IN THE BUSINESS  
22 TO REPO. NO PROFESSIONAL LENDER IS IN THE BUSINESS TO  
23 REPO. THAT'S THE WORLD'S WORST THING THAT HAPPENS TO  
24 THEM. YOU'VE GOT TO COLLECT THE TAB, YOU KNOW.

25                  MR. YOUNG: THOSE ARE OUR TWO MAJOR OBJECTION

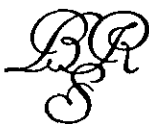
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1 AREAS. I'LL TURN THE FLOOR BACK TO YOUR STAFF.

2 MR. OLDALL: MR. MOSCONE, YOU HAD A QUESTION  
3 ABOUT THE ADVISORY COMMITTEE. I WOULD LIKE TO POINT OUT  
4 THAT THESE ARE MERELY THE RECOMMENDATIONS OF THE ADVISORY  
5 COMMITTEE TO THE BOARD. THE BOARD HAS THE AUTHORITY TO  
6 DO WHATEVER IT SEES MOST FIT WITH THOSE.

7 SO, IF YOU WOULD LIKE, WE WOULD POSSIBLY  
8 REEVALUATE THE COMMENTS OF MR. YOUNG. AND THEN IN THE  
9 NEXT ITERATION THAT WE BRING BACK TO THE BOARD, WE WILL  
10 EITHER EXPLAIN WHY THE CHANGES WERE MADE OR WHY THEY WERE  
11 NOT MADE. IN THE MEANTIME WE WILL WORK WITH THEM TO SEE  
12 IF WE CAN ARRIVE AT SOME HAPPY MEDIUM.

13 VICE CHAIRMAN MOSCONE: I WOULD APPROVE OF THAT.

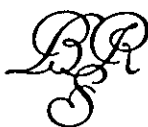
14 BOARD MEMBER ARAKALIAN: I'D LIKE TO SAY THAT,  
15 WITH ALL DUE RESPECT TO THE STAFF, I THINK THAT WE SHOULD  
16 TAKE THE RECOMMENDATION FROM THE GENTLEMAN, WHO ISN'T  
17 NECESSARILY BRIGHTER OR MORE KNOWLEDGEABLE, BUT  
18 CERTAINLY -- I DON'T WANT TO HURT ANYBODY'S FEELINGS --  
19 BUT CERTAINLY MORE EXPERIENCED, AND LET'S LEARN FROM THIS  
20 EXPERIENCE AND JUST GO RIGHT AHEAD WITH THOSE SUGGESTIONS  
21 HE MADE, ACCEPT THEM AND INCORPORATE THEM.

22 BOARD MEMBER VARNER: MR. CHAIRMAN, I WOULD JUST  
23 ELABORATE ON THAT. AND WHILE YOU'RE AT IT, YOU MIGHT AS  
24 WELL, BEFORE WE WRITE ANY OTHER REGULATIONS REGARDING  
25 LENDERS, WE BETTER FIND OUT WHAT THE LENDING COMMUNITY,

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1 WHAT THEIR FEELING IS AND WHAT THEY WILL DO.

2 MR. OLDALL: WE HAVE CIRCULATED THIS PARTICULAR  
3 DOCUMENT TO A NUMBER OF LENDING INSTITUTIONS THAT WERE  
4 INSTRUMENTAL IN HELPING US IN THE WAY BACK WHEN WHEN WE  
5 STARTED THIS PARTICULAR PROCESS. AS WE GET THEIR  
6 COMMENTS BACK, I THINK WE WILL BE ABLE TO INTEGRATE THOSE  
7 INTO A SYNTHESIZED PRODUCT.

8 BOARD MEMBER VARNER: NONE OF THESE CHANGES YOU  
9 HAVE REFLECT ANY LENDING INSTITUTION OR LENDER'S  
10 VIEWPOINTS?

11 MR. OLDALL: NOT EXACTLY AT THIS POINT, MR.  
12 VARNER. WE DID SEND THIS OUT WHEN WE SENT IT -- WHEN WE  
13 SENT IT TO THE BOARD, WE SENT OUT TO THESE OTHER  
14 GENTLEMEN. AND, HOPEFULLY, WE WILL BE GETTING THEIR  
15 COMMENTS BACK IN NEXT FEW WEEKS OR SO.

16 BOARD MEMBER VARNER: OKAY.

17 VICE CHAIRMAN MOSCONE: ANY OBJECTION TO THE  
18 PROPOSED ACTION?

19 MR. OLDALL: FINE.

20 MR. VAN HAHN: I JUST WOULD LIKE TO CONTINUE ON  
21 SUBSECTION (C), THE SECOND PART OF IT. THE STAFF  
22 RECOMMENDED THAT SOME ADDED WORDING WHICH READ: THIS  
23 CLAIM SHALL BE --

24 BOARD MEMBER BEAUTROW: PAGE NUMBER?

25 MR. VAN HAHN: PAGE 51 IN YOUR PACKAGE. THIS IS



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1 ON TOP OF PAGE 51, THE SHADED AREA.

2 "THIS CLAIM SHALL BE FOR THE AMOUNT OF THE  
3 OUTSTANDING PRINCIPAL BALANCE OF THE LOAN, PLUS THE  
4 ACCRUED UNPAID INTEREST, MINUS THE AMOUNT RECOVERED  
5 THROUGH LIQUIDATION AND FORECLOSURE ACTIONS."

6 SINCE THIS PARTICULAR SUBSECTION HERE ALSO  
7 REFERS TO LIQUIDATION AND FORECLOSURE ACTIONS, I WOULD  
8 FEEL THAT IT SHOULD BE TREATED AS A RESULT OF THE COMMENT  
9 BY MR. JIM YOUNG AND APPROVED BY THE BOARD. SO WE'RE  
10 GOING TO -- THE STAFF WILL TAKE A LOOK AT THIS AND  
11 REDRAFT THE LANGUAGE IN SUCH A WAY THAT WOULD REFLECT THE  
12 DIRECTION FROM THE BOARD.

13 IN THE REST OF THE SECTIONS, THE DELETION  
14 OF SUBSECTION (E) IS DUE TO THE FACT THAT IT'S NO LONGER  
15 NECESSARY. AND SECTION 14 -- IN SECTION 13, TERMS OF  
16 GUARANTEE, NO CHANGE WILL BE SUGGESTED.

17 SECTION 14, CONDITIONS OF GUARANTEE ON PAGE  
18 53 IN YOUR PACKAGE. THE STAFF SUGGESTS DELETION OF  
19 CERTAIN PHRASES HERE BECAUSE IT'S NO LONGER NECESSARY AND  
20 IT'S NOT REQUIRED NOR PROHIBITED BY THE REGULATION. SO  
21 WE BELIEVE THAT MENTIONING IT WOULD ONLY CAUSE CONFUSION,  
22 SO WE SUGGEST THAT THE WORDING BE DELETED.

23 BASICALLY --

24 VICE CHAIRMAN MOSCONE: SHOULD ANY OF THAT, IN  
25 LIGHT OF WHAT AND POSSIBLE REWRITING, SHOULD ANY OF THAT



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1 PROPOSED REGULATORY LANGUAGE UNDER (C) ON PAGE 53 BE  
2 CHANGED? WOULD THAT HAVE TO BE CHANGED AT ALL?

3 MR. VAN HAHN: IN 53, THIS IS -- THERE IS A  
4 CHANGE UNDER PROPOSED REGULATORY LANGUAGE, SUBITEM (B).  
5 WE FEEL THAT THERE IS A LINKAGE BETWEEN THIS PARTICULAR  
6 SUGGESTION FOR A ADDITION HERE AND THE COMMENT EARLIER  
7 REGARDING COLLECTION AND SO ON. SO WE WOULD LIKE TO TAKE  
8 A LOOK AT THAT AGAIN, AND WE'LL SUGGEST SOME CHANGES  
9 ACCORDINGLY.

10 BASICALLY, THIS CONCLUDED OUR PRESENTATION  
11 HERE, AND CERTAINLY WE WILL -- WE APPRECIATED THE  
12 COMMENTS AND DIRECTION FROM THE BOARD. WE ALSO WOULD  
13 LIKE TO BRING TO YOUR ATTENTION THAT, IN RESPONSE TO A  
14 REQUEST EARLIER THAT WE TAKE A LOOK AT THE PROCESS OF THE  
15 LOAN GUARANTEE, SO WE ATTACHED FOR YOUR INFORMATION A  
16 PROPOSED FLOW CHART OF THE PROGRAM.

17 UNLESS YOU HAVE ANY QUESTIONS, WE BELIEVE  
18 THAT THE FLOW CHART IS SELF-EXPLANATORY.

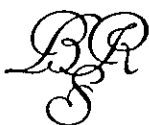
19 VICE CHAIRMAN MOSCONE: HOW ABOUT THE LAST  
20 PARAGRAPH, "BOARD INITIATES ACTION TO RECOVER THE LOAN  
21 GUARANTEE"? WOULD THAT HAVE TO BE DELETED OR CHANGED?

22 MR. VAN HAHN: WE BELIEVE THAT THERE ARE TWO  
23 ASPECTS IN THIS PARTICULAR ACTION HERE IN THIS BOX. ONE  
24 IS THAT THE IMPACT OF THE RECOMMENDATIONS BY MR. JIM  
25 YOUNG CERTAINLY BELONGS HERE; BUT ON THE OTHER HAND, AB

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1 2448 REQUIRES THAT THE BOARD MAKE ATTEMPTS, POSSIBLY  
2 THROUGH THE ATTORNEY GENERAL'S OFFICE, TO RECOVER THE  
3 COSTS OF THE DEFAULT LOANS. SO WE WILL PURSUE WHICHEVER  
4 DIRECTION THAT IS REQUIRED BY AB 2448 IN THIS REGARD.

5 VICE CHAIRMAN MOSCONE: ANY QUESTIONS?  
6 COMMENTS? VERY GOOD.

7 MR. VAN HAHN: THANK YOU, MR. CHAIRMAN.

8 VICE CHAIRMAN MOSCONE: THANK YOU VERY MUCH FOR  
9 ALL THE WORK.

10 MR. CONHEIM.

11 ATTORNEY CONHEIM: MR. CHAIRMAN, THE HOUR OF  
12 11:15 A.M. NOW UPON US, ITEM 2 IS -- COULD BE NEXT IF YOU  
13 WANTED, OR ANYTHING ELSE YOU WANT TO DO, IT BEING SO  
14 EARLY IN THE DAY.

15 THE COURT REPORTER IS ASKING FOR A HELP.  
16 TIME OUT.

17 VICE CHAIRMAN MOSCONE: VERY GOOD. WE'LL TAKE A  
18 SHORT RECESS.

19 (A BREAK WAS TAKEN.)

20 VICE CHAIRMAN MOSCONE: ITEM NO. 9, PANTAGES  
21 CORPORATION, CONSIDERATION OF CONCURRENCE IN THE ISSUANCE  
22 OF A NEW SOLID WASTE FACILITIES PERMIT FOR THE VASCO ROAD  
23 LANDFILL, ALAMEDA COUNTY.

24 MR. IWAHIRO: I DON'T BELIEVE THIS NEEDS MUCH OF  
25 AN INTRODUCTION. IT IS JUST A CONCURRENCE ON THE

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1 ISSUANCE OF A NEW SOLID WASTE PERMIT AT VASCO ROAD WHERE  
2 THE COMPANY HAS TAKEN IT OVER. SO WE'LL HAVE JESS ADAMS  
3 AND DON DIER HANDLE THIS ITEM FOR US.

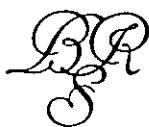
4 VICE CHAIRMAN MOSCONE: GENTLEMEN.

5 MR. ADAMS: MR. CHAIRMAN, MEMBERS OF THE BOARD,  
6 MY NAME IS JESS ADAMS.

7 THE KEY ISSUES IN THIS CASE ARE A NEW  
8 PERMIT TO REFLECT NEW OWNER AND OPERATOR -- A NEW  
9 OWNER-OPERATOR. THE NEW OPERATOR ACCEPTS ALL TERMS AND  
10 CONDITIONS OF THE PREVIOUS PERMIT AND HAS RECERTIFIED THE  
11 EXISTING RDSI.

12 THE BACKGROUND ON THE FACILITY. THE VASCO  
13 ROAD LANDFILL WITH RALPH PROPERTIES AS OWNER AND DEPAOLI  
14 EQUIPMENT COMPANY AS OPERATOR RECEIVED ITS CURRENT PERMIT  
15 IN JULY OF '86 FOR AN EXPANSION. CERTAIN ASSETS OF THE  
16 AFOREMENTIONED COMPANIES HAVE BEEN PURCHASED BY BROWNING  
17 FERRIS INDUSTRIES INCORPORATED, AND THE NEW  
18 OWNER-OPERATOR WISHES THE PERMIT TO REFLECT THE CHANGE IN  
19 OWNERSHIP-OPERATOR. NO OTHER CHANGES IN THE DESIGN OR  
20 OPERATION OF THE FACILITY ARE PROPOSED AT THIS TIME.

21 BECAUSE THE NEW SOLID WASTE FACILITIES  
22 PERMIT IS BEING PROPOSED TO CHANGE THE OPERATOR, THE  
23 BOARD MUST EITHER OBJECT TO OR CONCUR WITH THE PROPOSED  
24 PERMIT AS SUBMITTED BY THE LEA. AND THE BOARD HAS 40  
25 DAYS, OF COURSE, TO CONCUR IN OR OBJECT TO THE ISSUANCE



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1 OR REVISION OF THE SOLID WASTE FACILITIES PERMIT. AND  
2 SINCE THIS PERMIT WAS RECEIVED ON JANUARY 17, 1988, THE  
3 LAST DAY THE BOARD COULD ACT IS FEBRUARY 26, 1989.

4 BOARD MEMBER BREMBERG: A YEAR AND A MONTH  
5 LATER?

6 MR. ADAMS: IT APPEARS TO BE A TYPOGRAPHICAL  
7 ERROR.

8 THE ENVIRONMENTAL REQUIREMENT FOR THIS  
9 FACILITY HAS BEEN FULFILLED IN THE ALAMEDA COUNTY  
10 DEPARTMENT OF ENVIRONMENTAL HEALTH, OFFICE OF SOLID WASTE  
11 MANAGEMENT PREPARED A NOTICE OF EXEMPTION FOR THE PROJECT  
12 AND IN THAT NOTICE THE COUNTY STATED THAT SINCE THE  
13 PROJECT ONLY INVOLVED A CHANGE IN THE OWNER/OPERATOR OF  
14 THE LANDFILL, AND THAT SINCE NO CHANGES IN THE PHYSICAL  
15 DESIGN OR OPERATION WERE PROPOSED, NO SIGNIFICANT ADVERSE  
16 ENVIRONMENTAL IMPACTS COULD RESULT FROM IMPLEMENTING THE  
17 PROJECT.

18 BOARD MEMBER ARAKALIAN: I DON'T KNOW -- I JUST  
19 WANT TO ASK A QUESTION HERE FOR WHATEVER REASON, IT SAYS  
20 ON THE FIRST PAGE PERMITTED CAPACITY 1913 TONS PER DAY  
21 1989, INCREASING TO 2153 PER DAY IN 1992. WHY ARE THEY  
22 TAKING -- I MEAN, IT SEEMS TO ME NORMALLY AN INCREASE IS  
23 A SIGNIFICANT AMOUNT. THIS IS LIKE SUCH A SMALL INCREASE  
24 IN THE WAY YOU NORMALLY SEE LANDFILL INCREASES. WHY  
25 BOTHER? I MEAN, THERE'S SOMETHING WRONG THERE, IT SEEMS

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1 TO ME.

2 VICE CHAIRMAN MOSCONE: WAS THIS A PART OF THE  
3 PREVIOUS PERMIT?

4 MR. ADAMS: YES, IT WAS.

5 VICE CHAIRMAN MOSCONE: WELL, IT WAS IN THE  
6 PREVIOUS PERMIT.

7

8 BOARD MEMBER ARAKALIAN: I JUST WONDERED WHY  
9 THEY EVER BOTHERED MAKING ON THAT WAY.

10 VICE CHAIRMAN MOSCONE: I WAS GOING TO ASK THE  
11 SAME QUESTION.

12 BOARD MEMBER ARAKALIAN: YOU CAN'T HARDLY  
13 MEASURE THEM THAT CLOSE.

14 MR. DIER: MR. ARAKALIAN, MR. PANTAGES MAY BE  
15 ABLE TO ANSWER IT BETTER THAN I, BUT IT'S MY  
16 UNDERSTANDING THAT THE PERMITTED CAPACITY IS BASED UPON A  
17 GROWTH FACTOR THAT STEMS FROM THE COUNTY SOLID WASTE  
18 MANAGEMENT PLAN. EACH YEAR THEY'VE IDENTIFIED A CERTAIN  
19 AMOUNT OF GROWTH.

20 BOARD MEMBER ARAKALIAN: THAT'S NOT REALLY LIKE  
21 AN INCREASE.

22 MR. DIER: THAT WAS JUST PUT IN THERE BY THE  
23 LEA.

24 BOARD MEMBER BEAUTROW: I JUST HAD A GENERAL  
25 QUESTION. THIS IS KIND OF A -- I MEAN, THE ONLY CHANGE



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1 IS IN THE OWNER/OPERATOR. THERE'S NO OTHER CONDITIONS.  
2 BUT DO WE LOOK -- WHEN THESE THINGS COME UP, DO WE LOOK  
3 AT IT TO MAKE SURE THAT THE PERMIT -- YOU KNOW, WE HAVE A  
4 REVIEW OF ALL THE PERMITS IN THE STATE. I'M NOT SAYING  
5 THAT THIS IS ONE OF THEM THAT WERE NEVER REVISED AND SO  
6 FORTH. DO WE LOOK AT IT FROM THE STANDPOINT OF ANY  
7 OUTSTANDING DEFICIENCIES OR PROBLEMS OR ANYTHING LIKE  
8 THAT? SO MY QUESTION IS IS THIS ONE CLEAN AS FAR AS  
9 EVERYTHING IS CONCERNED? ALL WE'RE TALKING ABOUT IS JUST  
10 CHANGING THE OWNER/OPERATOR AND NOTHING ELSE BECAUSE THIS  
11 IS ALWAYS THE OPPORTUNITY TO BRING OTHER THINGS UP IF  
12 THERE ARE PROBLEMS.

13 MR. DIER: MR. BEAUTROW, IN ORDER TO SUBMIT THE  
14 PERMIT TO THE BOARD, THE LEA IS REQUIRED TO MAKE A  
15 FINDING THAT THE PERMIT IS CONSISTENT WITH STATE  
16 STANDARDS, AND THAT INCLUDES STATE MINIMUM STANDARDS.  
17 AND THAT WAS DONE IN THIS CASE. AND IN EVERY CASE,  
18 WHENEVER A PERMIT IS SUBMITTED TO THE BOARD, BE IT FOR  
19 PERMIT REVIEW, A NEW PERMIT, OR A REVISED PERMIT, WE DO  
20 LOOK AT THE INSPECTION RECORDS TO, YOU KNOW, SATISFY US  
21 THAT THE FACILITY IS REASONABLY ABLE TO COMPLY WITH THE  
22 STANDARDS.

23 THAT IS ESPECIALLY A CONCERN IF IT'S -- A  
24 REVISED PERMIT MAY BE SUBMITTED TO THE BOARD IN A TIME  
25 FRAME WHERE PERHAPS REALLY WHAT WE SHOULD HAVE BEEN DONE



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1 FIRST WAS DO A PERMIT REVIEW. AND THAT IS -- WILL BE  
2 OCCURRING, I BELIEVE, ON OCCASION IN THE NEAR FUTURE AS  
3 PERMIT REVIEW PROGRAM GETS OFF THE GROUND. A LOT OF  
4 PEOPLE MAY THINK, "WELL, LET'S JUST GET A PERMIT REVISION  
5 IN AND MAYBE WE WON'T HAVE TO DO THIS PERMIT REVIEW."  
6 WE'RE ALREADY ANTICIPATING THAT, AND WE'RE GOING TO BE  
7 REQUIRING THAT LEA'S DO PERMIT REVIEWS BEFORE WE'LL  
8 PROCESS REVISIONS.

9 BOARD MEMBER BEAUTROW: THAT WAS THE MAIN REASON  
10 I BROUGHT THIS UP. THANK YOU.

11 MR. ADAMS: I'LL CONTINUE WITH REQUIREMENTS FOR  
12 CONCURRENCE WITH THE SOLID WASTE FACILITIES PERMIT. THE  
13 GOVERNMENT CODE REQUIRES AN OPERATOR OF A FACILITY TO  
14 FILE AN APPLICATION WITH THE LEA FOR A PERMIT. ALONG  
15 WITH THE REQUIREMENT FOR AN APPLICATION IS THE  
16 REQUIREMENT FOR AN APPROPRIATE REPORT OF FACILITY  
17 INFORMATION, WHICH IN THIS CASE EXISTS AS A 1984 RDSI  
18 SUBMITTED BY THE LAW FIRM IF HAYNES & WALKER ON BEHALF IF  
19 RALPH PROPERTIES, THE PREVIOUS OWNER, AND DEPAOLI  
20 EQUIPMENT COMPANY, THE OPERATOR.

21 THIS RDSI HAS BEEN ACCEPTED AND RECERTIFIED  
22 BY BFI. WHEN THE APPLICATION IS DEEMED COMPLETE BY THE  
23 LEA, A COPY OF THE APPLICATION AND SUPPORTING DOCUMENTS  
24 ARE TRANSMITTED TO THE BOARD.

25 STAFF HAS RECEIVED THESE DOCUMENTS AND WE



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1 FIND THEM TO BE SATISFACTORY. WITHIN 75 DAYS OF  
2 ACCEPTING AN APPLICATION, AN LEA IS TO SUBMIT A PROPOSED  
3 SOLID WASTE FACILITIES PERMIT TO THE BOARD. THE LEA HAS  
4 COMPLIED WITH THIS REQUIREMENT.

5 WHEN SUBMITTING THE PROPOSED PERMIT, THE  
6 LEA HAS CERTIFIED THE FOLLOWING TWO FINDINGS AS REQUIRED  
7 BY THE GOVERNMENT CODE: CONSISTENCY WITH THE COSWMP AND  
8 CONSISTENCY WITH BOARD STANDARDS, AS MR. DIER HAS  
9 INDICATED.

10 STAFF HAS REVIEWED THE PROPOSED SOLID WASTE  
11 FACILITIES PERMIT AND SUPPORTEDING DOCUMENTATION AND FIND  
12 THE FORM AND CONTENT OF THE PERMIT TO BE ACCEPTABLE.

13 BOARD OPTIONS ARE TO TAKE NO ACTION. IF  
14 THE BOARD DOES NOT ACT ON A PERMIT WITHIN 40 DAYS OF  
15 RECEIPT, OCCURRENCE WOULD BE BY DEFAULT AND THE PERMIT  
16 COULD BE ISSUED BY THE LEA. OBJECT TO ISSUANCE OF THE  
17 PERMIT. THIS ACTION WOULD BE APPROPRIATE IF THE  
18 PROPONENT HAS NOT MET ALL LOCAL AND STATE REQUIREMENTS  
19 FOR THIS ACTION. CONCUR IN ISSUANCE OF THE PERMIT. THIS  
20 WOULD BE APPROPRIATE IF THE PROPONENT HAD MET ALL STATE  
21 AND LOCAL REQUIREMENTS FOR THIS ACTION.

22 STAFF RECOMMENDATION IS OPTION NO. 3, AND  
23 THE BOARD ADOPT SOLID WASTE FACILITIES PERMIT DECISION  
24 NO. 89-17, CONCURRING IN THE ISSUANCE OF A SOLID WASTE  
25 FACILITIES PERMIT NO. 01-AA-0010.

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1 VICE CHAIRMAN MOSCONE: BEFORE WE -- SAM, IN  
2 ANSWER TO YOUR QUESTION, AND I MISSED THIS TOO, ON PAGE  
3 177 OF OUR PACKET --

4 BOARD MEMBER ARAKALIAN: PERCENTAGE OF INCREASE.

5 VICE CHAIRMAN MOSCONE: ITEM NO. 6 UNDER  
6 PROHIBITIONS.

7 BOARD MEMBER ARAKALIAN: I SAW THAT AFTER I SAID  
8 IT. MS. BREMBERG BROUGHT IT TO MY ATTENTION.

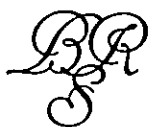
9 MR. ADAMS: MR. CHAIRMAN, WE HAVE, OF COURSE,  
10 MR. DICK PANTAGES FROM THE ALAMEDA COUNTY DEPARTMENT OF  
11 ENVIRONMENTAL HEALTH AND FROM BFI, MR. DIRK DUDGEONS AND  
12 TOM COX HERE TO ANSWER QUESTIONS IF ANYONE SO DESIRES.

13 VICE CHAIRMAN MOSCONE: DO YOU HAVE ANY COMMENTS  
14 YOU WOULD LIKE TO MAKE?

15 MR. PANTAGES: JUST VOTE YES.

16 VICE CHAIRMAN MOSCONE: I JUST HAD ONE QUESTION  
17 AND THIS GOES BACK TO PRE -- UP THE ROAD FROM VASCO,  
18 PRE-ALTAMONT, WHEN THEY WANTED TO -- RATHER THAN OPEN  
19 ALTAMONT WAS TO GO AND GET INTO VASCO ROAD, WHICH WOULD  
20 HAVE REQUIRED ADDITIONAL PERMITS. HAVE ANY OTHER -- I  
21 DON'T SUPPOSE THAT ANY OTHER PERMITS HAVE BEEN APPLIED  
22 FOR TO OPEN UP ANY OTHER PARTS OF VASCO OR HAVE THEY? SO  
23 THEY STILL HAVE AREA AVAILABLE SHOULD THEY -- VERY GOOD.  
24 ARE THERE ANY QUESTIONS?

25 BOARD MEMBER BEAUTROW: MOVE 89-17.



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1 BOARD MEMBER BREMBERG: SECOND.

2 VICE CHAIRMAN MOSCONE: ALL IN FAVOR? OPPOSED?  
3 NONE, SO ORDERED.

4 WE MIGHT AS WELL GET BACK ON TRACK, I  
5 GUESS. ITEM NO. 2, UPDATE ON DEVELOPMENT OF REVISED  
6 PLANNING REGULATIONS.

7 ATTORNEY CONHEIM: MR. CHAIRMAN AND MEMBERS, I  
8 WILL COVER THIS TODAY BASED ON SOME WORK WITH THE  
9 PLANNING SECTION. MY OFFICE AGREED TO DO SOME WORK ON  
10 THESE REGULATIONS SO THAT THIS ITEM AND THE NEXT TIME YOU  
11 SEE IT I WILL COVER THIS.

12 WHAT I WANT TO SHARE WITH YOU TODAY IS THAT  
13 IN A BRAINSTORMING SESSION, IF YOU WILL -- I HOPE THAT'S  
14 NOT TOO IMMODEST -- BOARD STAFF AND COUNSEL IN JANUARY  
15 WORKED ON LOOKING AT THESE PLANNING GUIDELINES AGAIN  
16 BECAUSE WE FELT THAT THERE WAS SUFFICIENT EXISTING  
17 AUTHORITY IN STATE LAW TO INCORPORATE MUCH OF WHAT WE  
18 HAVE ALL TALKED ABOUT AS INTEGRATED WASTE MANAGEMENT.

19 WHILE WE FEEL THAT IT'S BETTER TO HAVE A  
20 LEGISLATIVE STATEMENT AND THEN IMPLEMENT REGULATIONS, WE  
21 ALSO FEEL THAT THE BOARD DOES NOT HAVE TO WAIT THROUGH A  
22 LONG AND ARDUOUS LEGISLATIVE PROCESS TO DO SOMETHING  
23 ABOUT FURTHERING THE CONCEPT AND IMPLEMENTING THE CONCEPT  
24 OF INTEGRATED WASTE MANAGEMENT ON THE LOCAL LEVEL.

25 WE BELIEVE THAT ONE OR TWO REGULATIONS IN



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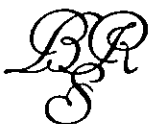
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1 THE PLANNING GUIDELINES WHICH REQUIRE THAT LOCAL  
2 GOVERNMENTS, THAT COUNTIES WRITE COSWMPs, WHICH HAVE A  
3 SPECIFIC LIST OF ELEMENTS IN THEM, THAT THOSE ELEMENTS  
4 CAN BE REDEFINED TO INCLUDE THE KINDS OF CONSIDERATIONS  
5 THAT THEY SHOULD BE THINKING ABOUT IN TERMS OF INTEGRATED  
6 WASTE MANAGEMENT, AND ALSO IWM CAN BE IMPLEMENTED THROUGH  
7 THE FEASIBILITY ELEMENT OF COSWMPs.

8 SO, BASICALLY, WHAT I'M PROPOSING TO YOU  
9 TODAY IS A CONCEPT THAT WOULD REQUIRE LOCAL GOVERNMENTS  
10 IN THEIR COSWMPs TO LOOK AT THE WASTE STREAM DIFFERENTLY  
11 THAN THEY HAVE BEEN DOING IN THE PAST. TRADITIONALLY, IF  
12 YOU REFER TO THE CHART ON PAGE 61 AND 62, TRADITIONALLY,  
13 LOCAL GOVERNMENTS IN PLANNING COSWMPs HAVE LOOKED AT THE  
14 WASTE STREAM, FIRST, IN TERMS OF THE WASTE GENERATED AND  
15 THEN THEY BEGIN TO SEPARATE OUT AND DISPOSE OF AND  
16 RECYCLE AND DO OTHER THINGS WITH THE WASTE STREAM. BUT  
17 INTEGRATED WASTE MANAGEMENT REQUIRES THAT BEFORE YOU  
18 START COUNTING THE WASTE STREAM, YOU TRY AND REDUCE WHAT  
19 GOES INTO THE WASTE STREAM. IT'S CONCEPTUAL AND THAT'S  
20 REPRESENTED BY ATTACHMENT B ON PAGE 62.

21 AND WHAT WE'D LIKE TO DO IS PROPOSE THAT AN  
22 ELEMENT OF THE COSWMP UNDER THE NAME OF WASTE  
23 MINIMIZATION -- AND YOU WILL FIND THE BOLD-TYPE MATERIAL  
24 ON PAGE 60 OF YOUR BOARD PACKET -- THAT WE WRITE A  
25 REGULATION, IN ADDITION TO THE OTHER PLANNING



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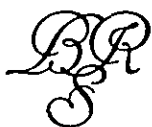
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1 REGULATIONS, THAT WOULD REQUIRE COUNTIES TO INCLUDE IN  
2 THEIR COSWMPs A REGULATION UNDER THE RUBRIC OF WASTE  
3 MINIMIZATION THAT WOULD INCLUDE THE ELEMENTS THAT ARE  
4 UNDERNEATH, SOURCE REDUCTION, HOUSEHOLD HAZARDOUS WASTE  
5 REDUCTION, WASTE PROCESSING, INCLUDING SEGREGATION,  
6 COMPOSTING, TREATMENT, SALVAGE, RECYCLING, AND  
7 INCINERATION.

8 AND IN ADDITION TO THAT, WE ALSO WANT TO  
9 COME BACK TO YOU WITH SPECIFIC REGULATORY LANGUAGE THAT  
10 REDEFINES THE ECONOMIC FEASIBILITY ELEMENT AS A  
11 FEASIBILITY ELEMENT AND WHICH REQUIRES THAT THE COUNTY  
12 DISCUSS ECONOMIC, ENVIRONMENTAL, AND POLITICAL  
13 FEASIBILITY IN THEIR COSWMP.

14 AND IF -- I THINK THAT WE HAVE THE  
15 AUTHORITY TO IMPOSE A NEW CONCEPT OF WASTE PLANNING IN  
16 THIS MANNER EVEN BEFORE WE ARE SUCCESSFUL IN GETTING AN  
17 INTEGRATED WASTE MANAGEMENT LEGISLATIVE MANDATE. AND  
18 WHAT WE PROPOSE TO DO IS BRING BACK TO YOU THE PACKAGE  
19 THAT JOHN SMITH WORKED ON AND PRESENTED TO YOU SOME  
20 MONTHS AGO WITH THESE CHANGES IN THE REGULATIONS BECAUSE  
21 I THINK WE NEED TO TAKE THE LEAD AND DO WHATEVER WE CAN  
22 TO PROPOSE TO YOU AND TO GIVE YOU THE OPTION TO ADOPT A  
23 SET OF REGULATIONS THAT LEAD THE WAY NOW RATHER THAN WAIT  
24 UNTIL LATER.

25 AND THAT'S THE SUBSTANCE OF WHAT THIS GROUP



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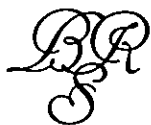
1 DID BACK IN JANUARY. WE GOT TOGETHER AND WE TOOK A LOOK  
2 AND TRIED TO PULL APART THAT COSWMP ELEMENT REGULATION  
3 AND RECONFIGURE IT SO THAT IT ADDRESSED THE MORE MODERN  
4 NOTION, THE MORE ANALYTICAL NOTIONS OF HOW YOU LOOK AT  
5 THE WASTE STREAM. AND WITH THAT, I LEAVE IT OPEN TO YOUR  
6 DISCUSSION.

7 VICE CHAIRMAN MOSCONE: MR. BROWN.

8 BOARD MEMBER BROWN: I THINK THE ONLY THING I  
9 WANT TO CAUTION YOU ON AND STATE ONCE AGAIN, YOU KNOW,  
10 THERE ARE 26 SOME RURAL COUNTIES IN THIS STATE THAT FIND  
11 SIMPLICITY STILL THE MAJOR QUALITY IN THEIR ABILITY TO  
12 DISPOSE OF THEIR WASTE. AND LET'S NOT START BOXING IN  
13 SOME OF THESE FOLKS WHO DON'T HAVE THE RESOURCES NOR THE  
14 EXPERTISE NOR THE DESIRE NOR THE NEED TO GET AS POSSIBLY;  
15 WHAT, ADVANCED AS WE MIGHT LIKE TO SEE IT. LET'S  
16 CONTINUE TO GIVE OPTIONS THAT ARE FEASIBLE TO SOME OF  
17 THESE SMALLER FOLKS WHO DON'T SEE IT QUITE IN THIS LIGHT.

18 ATTORNEY CONHEIM: I APPRECIATE THE COMMENT  
19 BECAUSE WHENEVER WE GET TOGETHER AND FEEL THE PRESSURE AS  
20 STAFF TO PROPOSE TO LEAD THE WAY, TO GIVE THE BOARD AN  
21 OPTION TO LEAD THE CHARGE, WE ARE REALLY THINKING  
22 GENERALLY ABOUT THE MAJOR URBAN PROBLEMS WHERE LANDFILLS  
23 ARE HARD TO SITE, AND WE NEED TO BE REMINDED OF THAT.  
24 AND THAT'S NOT AN EASY CHARGE THAT YOU GIVE BACK TO ME.

25 I DON'T QUITE KNOW, WITHOUT GOING BACK TO



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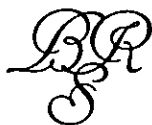
1 STAFF AND REALLY SITTING DOWN IN ANOTHER SESSION, ON HOW  
2 TO REGULATE WITH AN ARRAY OF OPTIONS SO THAT A COUNTY  
3 THAT ABSOLUTELY NEEDS TO DO THE MORE ADVANCED AND COMPLEX  
4 PLANNING IS REQUIRED TO DO IT; WHEREAS, THE OPTIONS ARE  
5 STILL OPEN. I THINK IT WILL PROBABLY HAVE TO COME IN  
6 SOME DRAFTING OF THIS FEASIBILITY OR DISCUSSION OF  
7 ALTERNATIVES. SO THE POINT IS WELL TAKEN. I DON'T HAVE  
8 A BRILLANT ONE-LINE ANSWER FOR YOU TO COME BACK TO YOU.

9 BOARD MEMBER BROWN: NO. I WASN'T EXPECTING  
10 ONE. I JUST ALWAYS COME UP WITH THAT AND MAKE THAT  
11 CAUTION.

12 ATTORNEY CONHEIM: PLEASE, I APPRECIATE IT.

13 VICE CHAIRMAN MOSCONE: MR. CONHEIM, THIS --  
14 WHEN YOU TALK ABOUT THIS, IT REMINDED ME OF THIS NEWS  
15 RELEASE FROM THE CALIFORNIA STATE SENATE TASK FORCE ON  
16 WASTE MANAGEMENT. I DON'T KNOW WHETHER THIS IS GOING TO  
17 BE AN INQUISITION OT WHAT IT'S GOING TO BE WHEN THEY HOLD  
18 THESE WORKSHOPS, BUT THEY ASKED THE ADEQUACY OF THE  
19 PRESENT STATE WASTE MANAGEMENT. IS THE CALIFORNIA WASTE  
20 MANAGEMENT BOARD, AS PRESENTLY CONSTITUTED AND FUNDED,  
21 CAPABLE OF PLANNING AND IMPLEMENTING A STATEWIDE  
22 INTEGRATED WASTE MANAGEMENT SYSTEM?

23 ATTORNEY CONHEIM: THAT'S A QUESTION AKIN TO  
24 WHEN DID YOU STOP BEATING YOUR WIFE.. IF YOU SAY, YES,  
25 THEN OF COURSE, YOU NEVER GET ANY ADDITIONAL RESOURCES.



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1 IF YOU SAY NO, THEN YOU'RE ACCUSED OF NOT DOING YOUR JOB.

2 VICE CHAIRMAN MOSCONE: I'M JUST WONDERING.  
3 THIS BOTHERS ME.

4 ATTORNEY CONHEIM: WELL, WE'RE CONCERNED ABOUT  
5 THAT AS WELL, AND THAT'S WHY, AS STAFF, WE WANT TO  
6 PROPOSE AS THOROUGH A PROPOSAL TO YOU AS POSSIBLE. BUT I  
7 DON'T THINK THAT WE FEEL WE HAVE ALL THE ANSWERS TO HOW  
8 TO DO IT ALL. BUT I DO FEEL IT'S NECESSARY AND THE  
9 RESPONSIBLE THING FOR STAFF TO DO AND FOR US TO ASK YOU  
10 TO CONSIDER, BEING A LITTLE MORE AGGRESSIVE IN THESE  
11 PLANNING REGULATIONS WITH THE CURRENT AUTHORITY THAN WE  
12 HAVE BEEN.

13 VICE CHAIRMAN MOSCONE: I WAS GOING TO ASK IF WE  
14 WERE GOING TO TALK ABOUT THIS, WHETHER IT BE TOMORROW OR  
15 FRIDAY, ABOUT THIS WORKSHOP. SO I GUESS THAT THIS WILL  
16 BE ADDRESSED PROBABLY FRIDAY OR WHATEVER?

17 MR. EOWAN: YEAH. I THINK THAT WOULD BE  
18 APPROPRIATE. WE DON'T HAVE A SPECIFIC ITEM ON THE AGENDA  
19 FOR IT, SIGNIFICANT STAFF ACTIVITIES.

20 BOARD MEMBER BREMBERG: I HAVE A LOT OF OTHER  
21 QUESTIONS THAT THEY COULD ASK. YOU KNOW, AS JOHN POINTED  
22 OUT, THE WAY THEY ASK THAT QUESTION, I COULD ASK IF YOUR  
23 CONCLUSION IS NO, WHO IN THE STATE IS QUALIFIED TO FALL  
24 UNDER EXACTLY THE SAME REQUIREMENTS THAT ARE LISTED IN  
25 THIS QUESTION; AND, IF SO, WHY HAVEN'T THEY, IF THERE ARE



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1 ANY? THERE'S ALWAYS ANOTHER SIDE TO THE QUESTION.

2 BOARD MEMBER VARNER: MR. CHAIRMAN.

3 VICE CHAIRMAN MOSCONE: MR. VARNER.

4 BOARD MEMBER VARNER: OBVIOUSLY, A LOT OF THESE  
5 QUESTIONS ARE LOADED QUESTIONS, AND THEY WERE DONE THAT  
6 WAY DELIBERATELY, IN MY VIEW. AS WE'RE TALKING ABOUT AN  
7 INTEGRATED WASTE MANAGEMENT SYSTEM, WHICH THEY'RE TALKING  
8 ABOUT IN THE SENATE TASK FORCE, AND I'VE ATTENDED EVERY  
9 ONE OF THESE. THE ONES THAT ARE REALLY PUSHING IT ARE  
10 NOT TALKING ABOUT AN INTEGRATED SYSTEM, BUT A VERY  
11 SPECIFIC THING THAT NEEDS TO BE DONE.

12 AND, OBVIOUSLY, THERE ARE A NUMBER OF  
13 DIFFERENT WASTE MANAGEMENT OPTIONS THAT CAN BE USED IN A  
14 NUMBER OF DIFFERENT WAYS ABOUT THE STATE. SO I THINK WE  
15 HAVE TO BRING THAT SITUATION OUT. AND AS MR. BROWN  
16 POINTED OUT, A LOT OF YOUR SMALLER RURAL COUNTIES HAVE  
17 ENTIRELY DIFFERENT PROBLEMS THAN THE METROPOLITAN,  
18 HEAVILY POPULATED AREAS. AND FOR THE MOST PART, WHERE  
19 THERE'S REALLY A CRISIS SITUATION, IT IS IN THESE HEAVILY  
20 POPULATED AREAS.

21 SO WHY DON'T WE APPROACH THE PROBLEM TO TRY  
22 TO CORRECT IT WHERE THE PROBLEM REALLY LIES? I THINK  
23 THAT'S PART OF A RESPONSIBLE APPROACH TO THIS THING.  
24 SO -- WE CAN ENCOURAGE ANYTHING THAT IS GOING TO  
25 ENVIRONMENTALLY BE SOUND AND TO PROTECT RESOURCES AND ALL

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1 THE DIFFERENT THINGS THAT WE'RE TALKING ABOUT, BUT YOU  
2 HAVE TO TALK ABOUT THESE DIFFERENT THINGS.

3 AND ANOTHER THING THAT, IN MY VIEWPOINT,  
4 AND I SPOKE TO IT QUITE A BIT IN THE LAST SEVERAL MONTHS,  
5 THEY TALK ABOUT MANDATED PROGRAMS OR A MANDATED RECYCLING  
6 PROGRAM; BUT HOW IN THE WORLD CAN YOU DO THIS WHERE ALL  
7 THE RURAL AREAS OR UNINCORPORATED AREAS DO NOT EVEN HAVE  
8 MANDATORY RUBBISH SERVICE? YOU KNOW, YOU HAVE TO ATTACK  
9 THE PROBLEM IN ITS PROPER FORM. IN A LOT OF CASES IN THE  
10 RURAL AREAS, MANDATORY SERVICE OF ANY KIND ISN'T GOING TO  
11 WORK FOR A NUMBER OF DIFFERENT REASONS.

12 THERE ARE WAYS IT CAN BE DONE TO WORK FOR  
13 THE RURAL COMMUNITIES; AND IF THEY'RE LEFT ALONE, THEY  
14 CAN MAKE THEM WORK VERY ECONOMICALLY FEASIBLE AND TAKE  
15 CARE OF THEIR WASTE PROBLEMS IN A VERY SAFE ECONOMICALLY  
16 COST-EFFECTIVE METHOD.

17 BUT IF YOU TRY TO IMPOSE THE METHODS ON  
18 EVERYBODY THAT'S GOING TO WORK FOR THE HEAVILY  
19 METROPOLITAN AREAS, YOU'RE LITERALLY GOING TO DEVASTATE A  
20 LARGE PORTION OF THE STATE. IT MAY NOT BE THE MAJORITY  
21 OF THE POPULATION, BUT IT WILL DARN SURE BE THE MAJORITY  
22 OF GEOGRAPHICAL AREA. AND A LOT OF THEM THAT DO NOT HAVE  
23 THE RESOURCES TO DO WHAT IS GOING TO BE REQUIRED.

24 I THINK THAT IT'S INCUMBENT UPON US TO  
25 POINT THOSE THINGS OUT, AS A RESPONSIBLE BODY. AND THIS

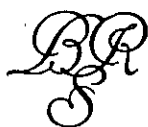
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1 CAN BE PART OF AN -- WHEN WE'RE TALKING ABOUT AN  
2 INTEGRATED WASTE MANAGEMENT SYSTEM, WE'RE TALKING ABOUT  
3 THE WHOLE RANGE OF OPTIONS THAT THERE ARE IN HANDLING  
4 WASTE MANAGEMENT. YOU DON'T HAVE TO HAVE EVERY ONE OF  
5 THOSE COMPONENTS IN EVERY PLAN.

6 SO I THINK THAT WE HAVE THE OPPORTUNITY TO  
7 STATE A LOT OF PROBLEMS THAT HAVE TO BE ADDRESSED. THIS  
8 IS ONE OF THEM WHEN THEY START MANDATING THINGS IN THIS  
9 AREA. AND, YOU KNOW, YOU ARE GOING TO RUN INTO ANOTHER  
10 CATCH 22 SITUATION, WHICH SOME ELEMENTS THAT ARE OUT  
11 THERE DON'T SEEM TO CARE AS LONG AS WHEN THEY TALK ABOUT  
12 INTEGRATED WASTE MANAGEMENT, THEY'RE JUST TALKING ABOUT  
13 ONE THING THAT THEY WANT TO SEE HAPPEN.

14 BOARD MEMBER BEAUTROW: MR. CHAIRMAN.

15 VICE CHAIRMAN MOSCONE: MR. BEAUTROW.

16 BOARD MEMBER BEAUTROW: I'M A FAN, AS I TOLD YOU  
17 MANY TIMES, ABOUT TRYING TO WORK WITHIN WHAT REGULATIONS  
18 WE HAVE WITHOUT NEW LEGISLATION. I MEAN, THAT'S -- I  
19 THINK THAT'S GOOD.

20 LATELY YOU'RE SEEING A LOT OF PUBLICITY  
21 ABOUT WASTE REDUCTION AS IT APPLIES TOWARDS DISPOSABLE  
22 DIAPERS, AND THERE WAS 'A BIG ARTICLE IN THE TIMES ABOUT  
23 OVERSELECTION. AND IT SHOWED THE SHELF OF THE GROCERY  
24 STORE WITH 40 DIFFERENT TYPES OF WASHING STUFF, POWDER,  
25 AND, YOU KNOW, CEREAL, 76 DIFFERENT KINDS OF DIFFERENT

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1 CEREALS AND ALL THAT.

2 WELL, WE CERTAINLY WANT TO REACT AND TO DO  
3 THINGS THAT ARE WORKABLE, BUT I'M NOT SURE WHEN WE'RE  
4 TALKING ABOUT WASTE REDUCTION, ARE WE TRYING TO TALK  
5 ABOUT THE THINGS THAT -- CONSUMERS' BUYING HABITS AND HOW  
6 ON EARTH COULD WE, AS A STATE AGENCY, FROM A PRACTICAL  
7 STANDPOINT, DO ANYTHING EXCEPT TO TRY TO EDUCATE PEOPLE,  
8 THAT, YOU KNOW, THEY SHOULD BE COGNIZANT OF THIS. BUT  
9 THE WHOLE PLASTICS INDUSTRY -- WHEN THEY GO TO THE  
10 MARKET, THEY SAY, "PAPER OR PLASTIC?" AND ON AND ON. SO  
11 IT'S WHAT PEOPLE'S PREFERENCES ARE, AND HOW ARE WE GOING  
12 TO REALLY COPE WITH THAT? WHEN YOU'RE TALKING ABOUT  
13 WASTE REDUCTION, ARE YOU TALKING ABOUT PREFERENTIAL  
14 BUYING HABITS OF PEOPLE OR WHAT?

15 ATTORNEY CONHEIM: MR. CHAIRMAN, MR. BEAUTROW, I  
16 THINK WHAT WE'RE PROPOSING HERE IS A DIFFERENT ANALYTICAL  
17 METHOD FOR THE COSWMP, BUT NOT TO DIRECT -- NOT TO  
18 REQUIRE THAT COUNTIES IMPLEMENT SPECIFIC PROGRAMS. SO WE  
19 DON'T KNOW HOW THAT WILL COME OUT ON THE COUNTY LEVEL. I  
20 THINK WHAT WE NEED TO DO IS WE NEED TO ESTABLISH A  
21 CONTENT STANDARD FOR COSWMPS, THE SAME WAY WE HAVE ONE  
22 NOW. IT DOESN'T REQUIRE THAT COUNTIES PLAN TO HAVE ANY  
23 SPECIFIC RESOURCE RECOVERY ELEMENT.

24 BUT WE WOULD LIKE TO PROPOSE TO YOU TO  
25 CHANGE SOME OF THE REGULATION HEADINGS AND ASK COUNTIES

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1 TO ANALYZE, AND IT MAY MEAN THAT COUNTIES HAVE TO PLAN  
2 FOR EDUCATION OR DECIDE TO PLAN FOR EDUCATION. AND SO  
3 THAT IT'S VERY CLEAR THAT I'M NOT PROPOSING TO COME BACK  
4 TO YOU WITH A SET OF MANDATED STANDARDS, I STILL FEEL  
5 THAT THE BOARD HAS GIVEN VERY, VERY SPECIFIC DIRECTION  
6 THAT THESE CHOICES MUST BE MADE LOCALLY.

7 I THINK THE GAP BETWEEN THE BOARD'S  
8 DIRECTION AND WHAT THE PUBLIC HAS BEEN THINKING ABOUT US  
9 IS THAT I THINK WE NEED TO GIVE LEADERSHIP TO THE CONCEPT  
10 THAT YOU'VE GIVEN DIRECTION ABOUT, AND I THINK THAT THERE  
11 ARE SOME VERY DOABLE STANDARDS THAT CAN BE ADOPTED THAT  
12 CAN BE, IF YOU WILL, DIRECTION AND MANDATE FROM THIS  
13 BOARD, BUT NOT DICTATE THE CHOICES.

14 AND I THINK THAT'S A PLACE WHERE, IF WE  
15 TAKE CONTROL OF OUR OWN REGULATIONS, RATHER THAN WAIT TO  
16 BE TOLD THAT WE HAVE TO ADOPT A REGULATION WHICH MANDATES  
17 A PARTICULAR TYPE OF ENVIRONMENTAL SHOPPING OR RECYCLING  
18 IN A PARTICULAR COUNTY, IF WE DO IT NOW IN THE CONTEXT OF  
19 WHAT WE KNOW IS YOUR DIRECTION, AND IF WE CAN PUT FLESH  
20 TO THAT, THEN I THINK WE'LL DO EXACTLY AS YOU ARE SAYING,  
21 MR. BEAUTROW, AND EXACTLY AS MR. VARNER AND MR. BROWN ARE  
22 SAYING, THAT WE LEAVE THE OPTIONS AT THE COUNTY, BUT WE  
23 GIVE THEM RUBRICS TO CONSIDER THESE OPTIONS UNDER.

24 BOARD MEMBER BROWN: MR. CHAIRMAN.

25 VICE CHAIRMAN MOSCONE: MR. BROWN.

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1 BOARD MEMBER BROWN: IN THE CASE OF OVERSTATING  
2 MY POSITION, I AM REMINDED THAT THE DIFFICULTY THAT I  
3 SPEAK OF WITH RESPECT TO THE RURAL COUNTIES REALLY BOILS  
4 DOWN TO A DOLLARS AND CENTS PROBLEM. RURAL COUNTIES  
5 DON'T GENERALLY HAVE THE SIZE WASTE STREAM TO SUPPORT  
6 MANY OF THE MANDATED PROGRAMS. SOME OF THE MANDATED  
7 PROGRAMS COST A LARGE COUNTY JUST AS MUCH AS THEY COST A  
8 SMALL COUNTY, AND YET THE SMALL COUNTY DOESN'T HAVE THE  
9 WASTE STREAM.

10 I WAS REMINDED DAY OF THE DAY AND IT STUCK  
11 OUT IN MY MIND EVER SINCE MR. BOWERMAN WAS HERE, AND HE  
12 WAS TELLING US HOW THEY HAD JUST HAD TO RAISE THEIR PER  
13 TON TIPPING FEES IN ORANGE COUNTY TO \$14, AND THAT  
14 INCLUDED CLOSURE AND POSTCLOSURE COSTS, AS THEY  
15 DETERMINED THEM AT THAT TIME. AND I KNOW OF A RURAL  
16 COUNTY THAT HAD JUST GONE TO \$20, WITH NO SET ASIDE  
17 WHATSOEVER, JUST BARE COSTS TO GET BY.

18 SO THAT'S WHERE IT REALLY COMES DOWN. SO  
19 MAYBE YOU START LOOKING AT TONNAGES GENERATED IN CERTAIN  
20 AREAS AS DIVISION MARKS AND SO FORTH. I KNOW THAT'S ALL  
21 WROUGHT WITH PROBLEM, BUT THAT'S REALLY WHERE I COME FROM  
22 IN TRYING TO KEEP THAT ISSUE BEFORE US IS THAT THEY JUST  
23 DON'T HAVE THE WASTE STREAM THAT PRODUCES THE DOLLARS.

24 ATTORNEY CONHEIM: I THINK WE HAVE TO LOOK AT  
25 ECONOMIES OF SCALE, AND I DON'T FEEL PARTICULARLY CAPABLE



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1 ROGHT NOW OF GREAT IDEAS, BUT I SEE WHAT YOU'RE TALKING  
2 ABOUT. AND IT IS ONE THING FOR ME TO SAY THAT WE'LL  
3 ADOPT A TEMPLATE, AND THEN ASK EVERY COUNTY, AGAIN, TO  
4 ANALYZE THEIR WASTE STREAM IN THIS MANNER.

5 I THINK THERE ALSO HAVE TO BE BRACKETS PUT  
6 AROUND WHICH TEMPLATES APPLY TO WHICH COUNTIES AS WELL  
7 BECAUSE IT MAKES NO SENSE IN SOME RURAL COUNTIES FOR THEM  
8 TO GO THROUGH THIS DIFFICULT ANALYSIS.

9 ON THE OTHER HAND, IT'S DIFFICULT TO SAY  
10 WHEN WE ASK YOU NOT TO THINK ABOUT THESE THINGS. SO I  
11 HEAR YOU AND I'VE GOT YOUR POINTS WRITTEN DOWN, AND I  
12 THINK WE NEED TO GO BACK TO THE DRAWING BOARD AND ADD TO  
13 THE DISCUSSION WE'VE ALREADY HAD AMONG OURSELVES. AGAIN,  
14 IT WAS A FOCUSED DISCUSSION ON HOW YOU MEET THE CRISIS.  
15 THAT'S GOOD DIRECTION. I'M GLAD FOR THIS DISCUSSION.  
16 IT'S BROUGHT SOME ELEMENTS THAT WE LEFT OUT.

17 BOARD MEMBER VARNER: MR. CHAIRMAN.

18 VICE CHAIRMAN MOSCONE: MR. VARNER.

19 BOARD MEMBER VARNER: ANOTHER THING AND YOU'RE  
20 HEADED IN THE RIGHT DIRECTION, THAT YOU HAVE THIS WHOLE  
21 MENU OF WASTE MANAGEMENT PROCEDURES, AND THAT WE, AS A  
22 BOARD, SHOULD BE READY TO HELP THEM WITH ANY OR ALL OF  
23 THESE DIFFERENT ELEMENTS TO GIVE THEM TECHNICAL EXPERTISE  
24 AND ANY HELP THAT THEY MIGHT NEED IN MAKING WHATEVER MENU  
25 ELEMENTS THAT THEY WANT TO INCORPORATE AND THE THING THAT



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1 WILL WORK IN THEIR SITUATION. WE STAND READY TO BE  
2 KNOWLEDGEABLE AND HELP THEM ON ANY OF THESE SUBJECTS.

3 BOARD MEMBER BREMBERG: MR. CHAIRMAN.

4 VICE CHAIRMAN MOSCONE: MRS. BREMBERG.

5 BOARD MEMBER BREMBERG: TO FOLLOW UP ON WHAT MR.  
6 BROWN SAID, I THINK OF MARIPOSA COUNTY, 12,000 PEOPLE, NO  
7 INCORPORATION, AND YOSEMITE. WHAT WAS THEIR TONNAGE? IT  
8 WAS THREE AND A HALF MILLION PEOPLE CAME AND THAT WOULD  
9 INVOLVE THE FEDERAL GOVERNMENT, AND THAT'S AN UNUSUAL  
10 SITUATION. SO WE'RE GOING TO HAVE TO THINK ABOUT, YOU  
11 KNOW, EXEMPTION IF THIS CIRCUMSTANCE COMES BECAUSE,  
12 WITHOUT THE ALREADY INCREASED FEDERAL ASSISTANCE, THAT  
13 COUNTY WOULD ABSOLUTELY GO UNDER. AND I DON'T THINK THAT  
14 THE SAME RULES APPLY TO MODOC COUNTY AS WOULD APPLY TO  
15 MARIPOSA, YET POPULATION IS THE SAME AND THE STRUCTURE OF  
16 GOVERNMENT IS THE SAME.

17 ATTORNEY CONHEIM: WHAT -- MR. CHAIRMAN AND  
18 MEMBERS, WHAT I HEAR YOU SAYING IS THAT YOU ARE NOT  
19 SHRINKING AWAY OR TELLING US TO SHRINK AWAY FROM THE  
20 CHALLENGE OF LOOKING AT THIS A LITTLE DIFFERENTLY, BUT  
21 YOU ARE ACTUALLY ADDING TO THE CHALLENGE TO MAKE IT A  
22 LITTLE MORE --

23 BOARD MEMBER BREMBERG: THAT'S BECAUSE IT'S  
24 WEDNESDAY.

25 ATTORNEY CONHEIM: BECAUSE IT'S WEDNESDAY. IT'S

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1 PRETTY EXCITING TIME; AND I THINK THAT, REGARDLESS OF THE  
2 ULTIMATE RESULT, WE NEED, AS STAFF, TO PURSUE THIS AND TO  
3 PROPOSE TO YOU, BECAUSE IT IS THE RESPONSIBLE THING FOR  
4 US TO DO AND FOR US TO ASK YOU TO CONSIDER, AND I JUST  
5 REALLY -- I THINK WE'LL MOVE AHEAD.

6 MR. EOWAN: ONE BRIEF COMMENT, NOT A SPEECH.  
7 WHAT WE NEED IS AN OVERARCHING WASTE MANAGEMENT POLICY  
8 FOR THE STATE OF CALIFORNIA. WHAT THE DETAILS OF THAT  
9 ARE I BELIEVE THIS BOARD, AS A STATE BODY, IS PROBABLY  
10 BEST EQUIPPED TO BE THE PROCESS OF DEVELOPING IT.

11 THE FRAMEWORK FOR THAT POLICY IS SOMETHING  
12 CALLED INTEGRATED WASTE MANAGEMENT, AND IT SHOULD BE  
13 RESIDENT BOTH IN OUR REGULATION AND OUR STATUTE. UP  
14 UNTIL NOW, WE HAVE NOT REALLY TRIED TO INFUSE THAT INTO  
15 OUR REGULATION, INTO OUR COSWMP PLANNING PRIMARILY.

16 AND WHAT BOB IS INTENDING TO DO IS BEGIN TO  
17 WEAVE THAT INTO THAT PORTION OF OUR REGULATION SO THAT IT  
18 ANTICIPATES AND COMPLEMENTS WHATEVER ENDS UP IN LAW THIS  
19 YEAR OR NEXT YEAR, AND SOMETHING WILL END UP IN LAW THIS  
20 YEAR OR NEXT YEAR THAT, I THINK, IS GOING TO BE  
21 SIGNIFICANT. AND WE'LL, AT LEAST, ATTEMPT TO BE  
22 OVERARCHING WASTE MANAGEMENT POLICY.

23 BUT THAT DOESN'T MEAN THAT JUST BECAUSE IT  
24 IS THAT KIND OF A STATEWIDE POLICY THAT IT'S GOING TO  
25 MANDATE SOME KIND OF RIGID SYSTEM FOR EVERYBODY.



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1 HOPEFULLY, WE'RE GOING TO BE SMART ENOUGH TO ELIMINATE AS  
2 MUCH OF THAT AS WE CAN SEE BEFOREHAND.

3 BOARD MEMBER VARNER: MR. CHAIRMAN.

4 VICE CHAIRMAN MOSCONE: MR. VARNER.

5 BOARD MEMBER VARNER: THERE'S ANOTHER THING THAT  
6 I HAVE TO SAY ON THIS THAT REALLY BOTHERS ME, AND A THING  
7 IN MY VIEWPOINT WE'VE GOT TO STAY AWAY FROM IS SETTING  
8 ARBITRARY STANDARDS THAT MAY NOT FIT A LOT OF SITUATIONS  
9 LIKE -- JUST LIKE THE THING THAT WE WENT THROUGH ON THE  
10 FINANCIAL DEAL WHERE THE GUY OBJECTED TO IT WHEN YOU SAID  
11 75 PERCENT. IT'S MEANINGLESS THING BECAUSE YOU'RE LOCKED  
12 INTO A SITUATION THAT SOMEBODY ISN'T GOING TO FIT.

13 BUT THE THING THAT'S WRONG HERE, THE  
14 TENDENCY IS TO TRY TO MOVE EVERYTHING FROM THE TOP DOWN.  
15 IN OTHER WORDS, THE TOP END OF THE THING, WHICH IN THIS  
16 CASE, THE STATE STARTS TO SET ALL THE STANDARDS THAT  
17 EVERYBODY HAS TO ARBITRARILY FIT TO, RATHER THAN THE  
18 OTHER WAY AROUND OR LET THE LOCAL COMMUNITIES. THEY KNOW  
19 WHAT THEIR PROBLEMS ARE. AND LET THEM TELL US WHAT THEY  
20 ARE, AND THEN WE STAND READY TO HELP THEM SOLVE THEIR  
21 PROBLEMS, NOT TRY TO TELL THEM WHAT THEIR PROBLEMS ARE  
22 WHETHER THEY AGREE WITH IT OR NOT.

23 AND THAT'S KIND OF WHAT HAS BEEN DONE AND  
24 DONE WITH SOME OF THE LEGISLATION. WE'RE GOING TO TELL  
25 YOU WHAT YOU GOT TO DO, AND THEY SAY, "HEY, YOU KNOW, IN

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1 A LOT OF CASES, THIS ISN'T OUR PROBLEM. WE STILL GOT THE  
2 PROBLEMS WE HAVE, AND NOW YOU'RE FORCING SOME MORE ON TO  
3 US."

4 I THINK SOMEHOW WE HAVE TO GET THAT MESSAGE  
5 OUT, AND THE LOCAL GOVERNMENTS ARE GOING TO HAVE TO HELP  
6 TREMENDOUSLY IN THIS TO LET THEMSELVES BE KNOWN. HEY,  
7 HERE'S THE SET OF PROBLEMS WE HAVE AND WE NEED SOME HELP  
8 IN SOLVING THEM, AND THEN WE NEED TO STAND READY TO DO  
9 THAT, RATHER THAN SET A BUNCH OF ARBITRARY STANDARDS THAT  
10 SOMEBODY HAS TO ADHERE TO THAT THEY MAY NOT BE ABLE TO  
11 DO.

12 BOARD MEMBER BREMBERG: IF I MAY EXPAND ON WHAT  
13 HE SAID AND I AGREE TOTALLY, IF THE LOCAL GOVERNMENTS ARE  
14 NOT ENCOURAGED TO ENUNCIATE THEIR PROBLEMS AND ONLY REACT  
15 AFTER SOMETHING'S BEEN IMPOSED UPON THEM, IT BECOMES A  
16 VERY, VERY DIFFICULT THING TO RESOLVE. IT WOULD BE  
17 BETTER TO MEET WITH THE LEAGUE OF CITIES AND CSAC AND  
18 REPRESENTATIVES OF LOCAL GOVERNMENT UP FRONT, NOT AFTER  
19 IT'S ALL BEEN WRITTEN AND THEN REACTION IS AND THEN  
20 THERE'S GOOD GUYS AND BAD GUYS AND THEM AND US, AND THAT  
21 IS THAT WE'RE ALL US OR SHOULD BE.

22 VICE CHAIRMAN MOSCONE: DOES THE BOARD GO ALONG  
23 WITH STAFF RECOMMENDATION?

24 ATTORNEY CONHEIM: I HADN'T WRITTEN IT THAT WAY,  
25 BUT IT GOT TRANSPOSED IN TYPING.



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1 BOARD MEMBER VARNER: I THINK IT COMES DOWN TO  
2 THAT WE HAVE TO DEMONSTRATE LEADERSHIP IN THIS AREA. I  
3 THINK THAT'S WHAT YOU'RE REALLY TRYING TO ACCOMPLISH,  
4 ISN'T IT?

5 ATTORNEY CONHEIM: I'M TRYING TO DO THAT, MR.  
6 VARNER. AND I -- WHAT -- I THINK GEORGE WAS VERY  
7 ARTICULATE IN SAYING, GIVE THE BOARD AN OPPORTUNITY TO  
8 DEMONSTRATE THE LEADERSHIP BY WEAVING THIS CONCEPT INTO  
9 EXISTING REGULATION, AND WE WILL TAKE ALL OF YOUR  
10 DIRECTION AT THIS POINT AND SPEND ANOTHER SESSION TRYING  
11 TO TEAR IT APART. AND WE WILL REWRITE IT AND BRING IT  
12 BACK TO YOU IN THE CONTEXT OF ONE OF THESE MORE  
13 TRADITIONAL PRESENTATIONS WITH LANGUAGE AND REASONS AND  
14 JUSTIFICATION.

15 VICE CHAIRMAN MOSCONE: YOU WANT TO DO A  
16 FLUSHING JOB RATHER THAN A ROTO-ROOTER-TYPE?

17 ATTORNEY CONHEIM: I NEED TO DISCUSS THIS WITH  
18 MY SECRETARY.

19 BOARD MEMBER BREMBERG: BE SURE AND CHECK  
20 CALENDARS FOR 40 DAYS, INSTEAD OF 13 MONTHS.

21 BOARD MEMBER BEAUTROW: COULD I SUGGEST THAT  
22 THIS THING IS MAYBE MORE IMPORTANT THAN WE REALIZE AT THE  
23 MOMENT; AND RATHER THAN BE AMBIGUOUS ABOUT SOME FUTURE  
24 BOARD MEETING, THAT MAYBE THIS THING OUGHT TO BE CARRIED  
25 ON, BRING IT UP, AND TRY TO IMPROVE ON IT AT EVERY BOARD



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1 MEETING.

2 ATTORNEY CONHEIM: MY INTENT IS TO BRING IT BACK  
3 THE NEXT BOARD MEETING. I AM NOW DOWN TO 50 PERCENT  
4 STAFF. SO MY ORIGINAL COMMITMENT -- I'M TRYING VERY HARD  
5 TO MEET IT.

6 MR. EOWAN: AS I SAID THIS MORNING, WHEN YOU  
7 ASKED ABOUT THE SCHEDULE FOR REGULATIONS, THIS WAS THE  
8 AREA THAT WE'RE PROBABLY GOING TO SLIP A MONTH OR TWO ON  
9 BECAUSE WE'VE GONE BACK AGAIN. AND EVERYTHING ELSE IS ON  
10 SCHEDULE AND HOPEFULLY NOT AMBIGUOUS. I CAN GIVE YOU  
11 ANOTHER COPY OF THAT SCHEDULE IF YOU WANT TO SEE IT.

12 VICE CHAIRMAN MOSCONE: VERY WELL. WE'LL GO ON  
13 ITEM NO. 4, CONSIDERATION OF APPROVAL OF THE HUMBOLDT  
14 COUNTY SOLID WASTE MANAGEMENT PLAN REVISION.

15 MR. IWAHIRO: YES, MR. CHAIRMAN, THE CITIES AND  
16 THE BOARD OF SUPERVISORS IN HUMBOLDT COUNTY HAVE SENT UP  
17 THEIR COUNTY PLAN. THEY'VE REVISED IT, AND I THINK IT'S  
18 READY FOR APPROVAL. CY ARMSTRONG OF PLANNING AND JOHN  
19 SMITH OF PLANNING WILL BE GIVING YOU THIS ITEM.

20 MR. ARMSTRONG: GOOD AFTERNOON, MR. CHAIRMAN,  
21 BOARD MEMBERS. IN 1985 THE COUNTY COMPLETELY REVISED  
22 THEIR PLAN, AND IN 1987 THE BOARD ACCEPTED THE SECOND  
23 PLAN REVIEW REPORT AND DIRECTED THE COUNTY TO REVISE  
24 THEIR PLAN IN A NUMBER OF AREAS WHICH ARE LISTED ON PAGE  
25 76 AND 77 OF YOUR BOARD PACKET.

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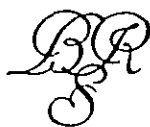
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1 THE HUMBOLDT COUNTY PLAN REVISION WAS DUE  
2 TO THE BOARD HERE ON MARCH 1ST OF 1988. WHEN THE COUNTY  
3 DID NOT MEET THE SUBMITTAL DATE, THE MATTER OF THE  
4 COUNTY'S DELINQUENCY WAS REFERRED TO THE ATTORNEY  
5 GENERAL'S OFFICE, WHO BROUGHT PRESSURE ON THE COUNTY AND  
6 GOT THEM TO SIGN A COMMITMENT TO SUBMIT THE FINAL DRAFT.

7 ON AUGUST 22D OF LAST YEAR, THE BOARD  
8 RECEIVED THE PRELIMINARY DRAFT. BOARD STAFF REVIEWED IT  
9 AND SENT COMMENTS TO THE COUNTY. THE PRELIMINARY DRAFT  
10 WAS ALSO CIRCULATED FOR REVIEW AND COMMENT TO OTHER STATE  
11 AND COUNTY AGENCIES; AND BASED ON THE COMMENTS RECEIVED  
12 ON THE PRELIMINARY DRAFT, THE COUNTY HEALTH DEPARTMENT,  
13 WHO IS DOING THE PLAN, COMPLETED THE PLAN REVISION.

14 THE COUNTY BOARD OF SUPERVISORS OF HUMBOLDT  
15 APPROVED THE PLAN REVISION ON NOVEMBER OF 1988. IN  
16 ADDITION, ALL THE INCORPORATED CITIES IN THE COUNTY  
17 APPROVED THE REVISION. AND THE FINAL REVISION WAS  
18 RECEIVED BY THIS BOARD IN DECEMBER OF '88. THE FINAL  
19 PLAN WAS ALSO CIRCULATED BY BOARD STAFF TO THE USUAL  
20 STATE AGENCIES, SUCH AS THE WATER BOARD, THE AIR BOARD,  
21 AND THE OTHER STATE AGENCIES THAT NORMALLY WE SEND THESE  
22 TO.

23 BEFORE DISCUSSING THE REVISION, I'D LIKE TO  
24 GIVE YOU A LITTLE BACKGROUND OF HUMBOLDT COUNTY. IT IS  
25 LOCATED IN THE NORTHWEST CORNER OF THE STATE, HAS A



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1 POPULATION ESTIMATED TO BE 114,000 PEOPLE. AGRICULTURE,  
2 TIMBER, AND FISHING FORM THE BASIS OF THE ECONOMY OF THE  
3 COUNTY, AND THERE ARE SEVEN INCORPORATED CITIES IN THE  
4 COUNTY, WITH EUREKA SERVING AS THE COUNTY SEAT. THERE'S  
5 APPROXIMATELY 80,000 TONS PER YEAR OF DOMESTIC WASTE  
6 GENERATED IN THE COUNTY. SOLID WASTE IN THE COUNTY IS  
7 COLLECTED BY A SYSTEM OF TEN LICENSED COLLECTORS LOCATED  
8 THROUGHOUT THE UNINCORPORATED AND INCORPORATED AREAS.

9 BECAUSE THE COUNTY IS VERY LARGE AND  
10 SPRAWLING, THERE ARE 12 SMALL VOLUME TRANSFER STATIONS TO  
11 SERVE THE MORE REMOTE AREAS OF THE COUNTY, AND THE COUNTY  
12 DEPARTMENT OF PUBLIC WORKS OVERSEES AND OPERATES THESE  
13 SITES.

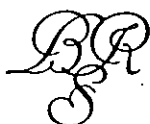
14 HUMBOLDT COUNTY IS SERVED BY A SINGLE  
15 LANDFILL, THE CUMMINGS ROAD LANDFILL NEAR EUREKA. THIS  
16 FACILITY HAS A SITE LIFE OF ABOUT 17 TO 20 YEARS, WHICH  
17 MORE THAN MEETS THE EIGHT-YEAR DISPOSAL CAPACITY REQUIRED  
18 BY LAW.

19 THE COUNTY, WHICH IS VERY ENVIRONMENTALLY  
20 ORIENTED, I THIN, PARTIALLY OF THE LOCATION OF THE  
21 UNIVERSITY THERE AND OTHER CONSIDERATIONS, ESTIMATES THAT  
22 APPROXIMATELY 25 PERCENT OF THE WASTE GENERATED IN THE  
23 COUNTY ARE CURRENTLY BEING RECYCLED. THERE ARE SEVERAL  
24 MAJOR RECYCLERS IN THE COUNTY, AND THE COUNTY PUBLIC  
25 WORKS DEPARTMENT DOES A PRETTY GOOD JOB OF PUBLIC

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1 INFORMATION ON ALL SORTS OF SOLID WASTE AND RECYCLING  
2 ACTIVITIES.

3 TURNING NOW TO THE REVISION OF THE PLAN,  
4 THE REVISION FEATURES THAT WERE REQUIRED BY BOARD  
5 RESOLUTION INCLUDE A CHAPTER 1 INTRODUCTION, WHICH  
6 SUMMARIZES THE HISTORY AND THE ORGANIZATION AND CONTENT  
7 OF THE PLAN.

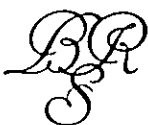
8 CHAPTER 2, WHICH GIVES THE GOALS AND  
9 OBJECTIVES FOR THE PLAN REVISION.

10 CHAPTER 3 LISTS THE STATUTES AND ALL  
11 PROPOSALS, WHICH IS AN UPDATED LIST OF FUTURE ACTION FOR  
12 SPECIFIC PROJECTS.

13 CHAPTER 4 DELINEATES THE RESPONSIBILITIES  
14 OF ADMINISTRATION BETWEEN THE VARIOUS COUNTY AND  
15 INCORPORATED CITY GOVERNMENTS IN THE PLAN AND SYSTEM OF  
16 COLLECTION, TRANSFER, AND ENFORCEMENT.

17 CHAPTER 5 LISTS THE BACKGROUND AND PROBLEMS  
18 INVOLVED IN THE COUNTY. THEY HAVE SUCH UNUSUAL THINGS AS  
19 FISH WASTES AND A GREAT DEAL OF WOODWASTE IN THE COUNTY,  
20 WHICH IS NOT COMMON TO YOUR MORE URBAN AREAS. CHAPTER 5  
21 ALSO DESCRIBES THE EFFORTS TO SITE AN RDF POWER FACILITY  
22 AND LISTS THE DISPOSAL CAPACITY OF THE COUNTY, WHICH IS  
23 PROJECTED FROM 17 TO 20 YEARS.

24 CHAPTER 6 GIVES A DESCRIPTION OF THE PAST,  
25 CURRENT, AND FUTURE PLANS FOR RECYCLING IN THE COUNTY.



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1 AS I MENTIONED, THE COUNTY INDICATES A PRESENT RECYCLING  
2 RATE OF 25 PERCENT AND IS SHOOTING FOR A GOAL OF 35  
3 PERCENT RECOVERY IN THE SHORT-TERM PLANNING AREA.

4 CHAPTER 7, THE PRESENT MANAGEMENT OF  
5 SPECIAL WASTES GIVES THE MANNER OF HANDLING AND DISPOSAL  
6 OF SPECIAL WASTES, SUCH AS ASBESTOS, FISH WASTES,  
7 ABANDONED CARS, WOODWASTE, AND WASTES LIKE THIS.

8 CHAPTER 9, FINANCING THE SOLID WASTE  
9 SYSTEM, VARIOUS METHODS USED IN SUPPORTING THE SYSTEM,  
10 INCLUDING THE CONTAINER FEES, COLLECTION FEES, PERMIT  
11 FEES CHARGED BY ENFORCEMENT AGENCY, AND THE DWELLING  
12 EQUIVALENT UNIT FEES.

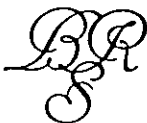
13 CHAPTER 10 IS A CONTINGENCY PLAN, WHICH  
14 INDICATES WHAT WOULD HAPPEN IN THE COUNTY IF THERE WAS A  
15 NATURAL OR MANMADE DISASTER WHICH WOULD INVOLVE THEIR  
16 SOLID WASTE SYSTEM.

17 THE COUNTY HAS -- TURNING TO ENVIRONMENTAL  
18 QUALITY ACT, THE COUNTY HAS PREPARED A NEGATIVE  
19 DECLARATION FOR THE PLAN. AND IN THAT DOCUMENT THE  
20 COUNTY FEELS THAT THERE ARE NO SIGNIFICANT ENVIRONMENTAL  
21 FACTORS THAT COULD NOT BE HANDLED BY REVISING THE PLAN.  
22 THE NEGATIVE DECLARATION WAS CERTIFIED BY THE COUNTY  
23 BOARD OF SUPERVISORS IN NOVEMBER OF LAST YEAR. BOARD  
24 STAFF HAS REVIEWED THE NEGATIVE DECLARATION AND FEELS  
25 THAT THIS IS AN ADEQUATE DOCUMENT FOR THIS PROJECT.

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1                   IN ANALYZING THE PLAN REVISION, BOARD STAFF  
2 HAS EXAMINED THIS TO SEE IF THE BOARD RESOLUTION  
3 REQUIRING REVISION HAS BEEN MET. ALSO RECENT LEGISLATIVE  
4 MANDATES IN THE GOVERNMENT CODE HAVE BEEN MET, AND ALSO  
5 THIS DOES MEET THE STATE PLANNING GUIDELINES.

6                   WHEN THE BOARD ACCEPTED THE PLAN REVIEW  
7 REPORT IN '87, IT DIRECTED THE COUNTY TO REVISE ITS  
8 DOCUMENT IN THE AREAS THAT THE COUNTY SAID THEY WOULD  
9 HAVE TO REVISE AND ALSO IN SEVERAL AREAS LEGISLATED BY  
10 RECENT GOVERNMENT CODE CHANGES.

11                   STAFF HAS REVIEWED ALL THE ABOVE, INCLUDING  
12 THE SUBMITTED PLAN REVISION, AND FOUND THAT THE AREAS  
13 IDENTIFIED IN BOARD RESOLUTION 87-37 AND RECENT CHANGES  
14 IN THE GOVERNMENT CODE HAVE BEEN FULLY ADDRESSED. IN  
15 ADDITION, STAFF FINDS THAT THE SUBMITTED PLAN REVISION IS  
16 CONSISTENT WITH STATE POLICY AND THE PLANNING GUIDELINES.

17                   THEREFORE, IN SUMMARY, BOARD STAFF  
18 RECOMMENDS THAT THE BOARD ADOPT RESOLUTION 89-20,  
19 APPROVING THE HUMBOLDT COUNTY PLAN REVISION.

20                   BOARD MEMBER BROWN: MR. CHAIRMAN.

21                   VICE CHAIRMAN MOSCONE: MR. BROWN.

22                   BOARD MEMBER BROWN: JUST OUT OF CURIOSITY, WHY  
23 WERE THEY LATE? THEY SEEM SO WELL ORGANIZED WHEN THEY  
24 FINALLY GOT AROUND TO IT. WHAT HAPPENED?

25                   MR. ARMSTRONG: ACCTUALLY, I HAVE A LITTLE



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1 SYMPATHY FOR THEM. THEY HAD A PART-TIME CONSULTANT THAT  
2 WAS MOVING RIGHT AHEAD ON IT. HE WAS INVOLVED WITH A  
3 COMPUTER SYSTEM, WHICH, I BELIEVE, WAS ASSOCIATED WITH  
4 THE UNIVERSITY, WHICH WAS NOT COMPATIBLE WITH THE COUNTY  
5 SYSTEM. HE SUBSEQUENTLY GOT A FULL-TIME JOB AND KIND OF  
6 BAILED OUT ON THEM AND KIND OF LEFT THEM HOLDING THE BAG.  
7 I FELT REALLY KIND OF SORRY FOR THEM. IT REAALY WASN'T  
8 TOO MUCH OF THEIR FAULT.

9 THEN, ALSO, THEIR SOLID WASTE ADVISORY  
10 COMMITTEE IS A VERY INTENSE, VERY INTERESTED COMMITTEE UP  
11 THERE. AND I VISITED THE COUNTY, TALKED TO THEM, AND WAS  
12 IN COMMUNICATION WITH THEM. AND THEY SEEMED VERY INTENT  
13 ON POLISHING EVERY CHAPTER. THEY REALLY WANTED THIS TO  
14 BE JUST AS GOOD AS THEY COULD. SO THEY DID, EVEN THOUGH  
15 THEY TOOK A LITTLE LONGER THAN THEY THOUGHT AND THEY WERE  
16 A LITTLE UNHAPPY WITH OUR IMPATIENCE WITH THEM, I THINK  
17 SINCERELY WERE TRYING TO DO A GOOD JOB. AND, AGAIN, THEY  
18 JUST POLISHED EVERY CHAPTER AND HAD SOLID WASTE ADVISORY  
19 COMMITTEE MEETING AFTER MEETING, AND THEY DID WHAT THEY  
20 THOUGHT WAS RIGHT.

21 BOARD MEMBER BREMBERG: DO YOU SUPPOSE WE COULD  
22 SEND THEM TO TRAIN CONTRA COSTA COUNTY?

23 VICE CHAIRMAN MOSCONE: ANY QUESTIONS?  
24 COMMENTS?

25 MR. ARMSTRONG: UNFORTUNATELY, BECAUSE OF BUDGET



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1       LIMITATIONS, THE COUNTY WAS NOT ABLE TO SEND A  
2       REPRESENTATIVE TODAY.  THEY HAVE A VERY, VERY TIGHT  
3       BUDGET AND A TIGHT TRAINING BUDGET UP THERE.  THEY ASKED  
4       IF I WOULD OFFER MY APOLOGIES.  THEY'VE ASKED IF I WOULD  
5       HANDLE THE PRESENTATION FOR THEM.

6               BOARD MEMBER BREMBERG:  WHICH YOU DID,  
7       ADMIRABLY.

8               VICE CHAIRMAN MOSCONE:  MR. EOWAN.

9               MR. EOWAN:  I WAS JUST GOING TO ECHO A LITTLE  
10       BIT OF WHAT CY WAS SAYING.  I'M IMPRESSED WITH HUMBOLDT  
11       COUNTY IN TERMS OF THEIR SOLID WASTE MANAGEMENT.  THEY  
12       SEEM TO REALLY PUT A LOT OF EFFORT, GIVEN THEIR  
13       RESOURCES, INTO THE WHOLE PLANNING EFFORT.  I'VE BEEN IN  
14       A LOT OF CONTACT WITH THEM RECENTLY.  THE CITY MANAGER OF  
15       EUREKA IS ASKING FOR OUR HELP IN DEVELOPING A  
16       JOINT-POWERS AGREEMENT WITH THE COUNTY TO OPERATE THE  
17       LANDFILL.  AND THEY'RE -- WE HAD A LONG DISCUSSIONS WITH  
18       THEM IN SAN DIEGO WHEN WE MET AT THE LEAGUE OF CITIES  
19       MEETING ABOUT HOW TO HELP THEM DO RECYCLING.  WES  
20       CHESBROW, A MEMBER OF BOARD OF THEIR BOARD OF  
21       SUPERVISORS, IS INVOLVED IN THE SENATE TASK FORCE.  AND  
22       FOR A SMALL COUNTY, THEY GET A LOT OF MILEAGE, AND THEY,  
23       YOU KNOW, THEY DO SOME PRETTY GOOD WORK.

24               BOARD MEMBER BREMBERG:  LONG WAYS FROM  
25       EVERYWHERE.

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1 MR. EOWAN: BOY, THEY ARE IN THE UPPER CORNER.

2 VICE CHAIRMAN MOSCONE: I DON'T RECALL IN THIS  
3 NEW REVISION WHAT THEY SAID ABOUT THAT RDF PLANT.

4 MR. ARMSTRONG: WERE YOU ASKING MY COMMENT ON  
5 THAT?

6 VICE CHAIRMAN MOSCONE: YES.

7 MR. ARMSTRONG: THIS BOARD GAVE THEM A GRANT  
8 BACK IN THE EARLY '80S TO HELP GET THIS WOODWASTE RDF  
9 PLANT GOING UP THERE, USING 90 PERCENT WOODWASTE AND 10  
10 PERCENT GARBAGE -- SOLID WASTE. HOWEVER, AS THEY MOVED  
11 ALONG IN THEIR PLANNING STAGE AND DEVELOPING THEIR EIR,  
12 THERE WAS QUITE A LOT OF CONCERNS UP THERE THAT THIS  
13 COULD BE BECOME AN AIR POLLUTION PROBLEM AND ALSO SOME  
14 HAZARDOUS MATERIALS BEING BURNED OFF THERE.

15 AT THE TIME THEY WERE DOING THIS, THERE WAS  
16 VERY LITTLE OTHER -- OR WERE VERY FEW OTHER PLANTS TO  
17 COMPARE TO. AND I THINK THE OPPOSITION JUST KIND OF  
18 OVERRODE THEM, AND IN ABOUT 1983, THEY JUST, FRANKLY,  
19 SCRAPPED THE PLAN TO DO THAT. I DON'T THINK THERE'LL BE  
20 ANYTHING GOING THERE FOR SOME TIME.

21 VICE CHAIRMAN MOSCONE: IF I REMEMBER CORRECTLY,  
22 CY, SOME OF THE LUMBER INTERESTS, AS YOU MENTIONED, IT  
23 WAS GOING TO BE A COMBINATION PERCENTAGE OF MUNICIPAL  
24 WASTE AND WOODWASTE AND ALL. AND THEN I THINK THE LUMBER  
25 INDUSTRY UP THERE WANTED TO MAYBE GO ON ITS OWN. AND I



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1 THINK THEY WERE CUTTING DOWN THE PERCENTAGE OF WASTE THAT  
2 WOULD GO INTO THE RDF OR THE MIXTURE. AND THEN, IF I  
3 REMEMBER CORRECTLY, I THINK PROBABLY AN EXPORT MARKET  
4 MIGHT HAVE DEVELOPED FOR SOME OF THAT WOODWASTE.

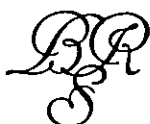
5 AND SO THE CITY GOVERNMENT OR COUNTY,  
6 WHATEVER, WAS VERY INTERESTED IN GOING AHEAD WITH THAT  
7 RDF THING, BUT I THINK THAT, BECAUSE OF SOME OTHER THINGS  
8 THAT I MENTIONED, IT LOOKS LIKE IT'S STILL OUT THE  
9 WINDOW, I WOULD GUESS. I DON'T KNOW WHETHER THEY HAVE  
10 ANY GENUINE INTEREST IN GOING AHEAD WITH THIS RDF THING.

11 MR. ARMSTRONG: MR. MOSCONE, IT DOES NOT APPEAR  
12 TO ME, IN DISCUSSION WITH THE COUNTY, IF THAT'S GOING TO  
13 RAISED ITS HEAD AGAIN. I THINK THEY EXPLORED EVERYTHING  
14 THEY COULD, AND IT JUST DID NOT APPEAR NOT TO BE  
15 FEASIBLE, AND THEY PRETTY MUCH LET IT DIE.

16 VICE CHAIRMAN MOSCONE: I KNOW SOME OF THE  
17 DETAILS BECAUSE I WAS WORKING ON IT AT THE TIME. AND SO  
18 IT JUST COULDN'T PROGRESS. AND WHEN THE TRANSFER STATION  
19 WAS -- WHEN THEY PUT IN THE NEW TRANSFER STATION IN  
20 EUREKA AND ALL, OF COURSE, THEY WERE LOOKING FORWARD TO  
21 PUTTING IN THAT RDF THING. AND I THINK THE COMPANY, IF I  
22 REMEMBER CORRECTLY, EVEN WENT SO FAR AS TO PURCHASE SOME  
23 ADDITIONAL LAND TO TAKE CARE OF POSSIBLY THE RDF THING.

24 BOARD MEMBER VARNER: HERE AGAIN, I'VE GOT TO  
25 KNOW MR. CHESBROW, WHO'S ONE OF THE SUPERVISORS, HAVING

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1 WORKED WITH HIM ON A COUPLE OF DIFFERENT THINGS, AND  
2 HERE'S A PERSON WHO IS TOTAL ENVIRONMENTALIST; BUT,  
3 AGAIN -- HE'S A MEMBER OF THE SENATE TASK FORCE, THIS  
4 BLUE RIBBON TASK FORCE. AND HE BRINGS UP THE ISSUE, JUST  
5 AS WE'VE TALKED ABOUT HERE, THAT, HEY, WE'VE GOT A SYSTEM  
6 UP HERE THAT WORKS. WE'VE GOT IT IN PLACE, AND WE'RE  
7 GOING ALL OUT TO DO EVERYTHING WE CAN.

8 SOME OF THE THINGS THAT YOU WANT TO IMPOSE  
9 FROM THE STATE MANDATED THING WOULD WRECK OUR SYSTEM.  
10 AND, HERE AGAIN, THIS IS A SMALL COUNTY WITH A SMALL  
11 AMOUNT OF RESOURCES TO DO THINGS; AND IF THEY HAVE TO GO  
12 AND REVISE THEIR WHOLE SYSTEM TO FIT WHAT SOMEBODY ELSE  
13 WANTS THEM TO DO, HE JUST SAYS, "HEY, YOU KNOW, YOU'RE  
14 GOING TO DEVASTATE US."

15 AND AT ONE OF OUR -- AT OUR MARKETING  
16 CONFERENCE THAT WE HAD IN LOS ANGELES, HE WAS ONE OF THE  
17 SPEAKERS. AND I REMEMBER ONE OF THE THINGS THAT HE SAID.  
18 HE SAYS, "YOU FROM THE STATE, PLEASE DON'T IMPOSE MORE  
19 LEGISLATION ON US THAT CAN'T BE ENFORCED AND WE DON'T  
20 WANT AND DON'T NEED AND CAN'T AFFORD." I THOUGHT IT WAS  
21 ONE OF THE MOST COMPREHENSIVE STATEMENTS I'VE HEARD ALONG  
22 THOSE LINES FROM A SMALL COMMUNITY THAT'S TRYING TO DO  
23 EVERYTHING THEY CAN RIGHT.

24 VICE CHAIRMAN MOSCONE: OTHER COMMENTS?

25 BOARD MEMBER BEAUTROW: MOVE RESOLUTION 89-20.



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1 BOARD MEMBER BREMBERG: SECOND.

2 VICE CHAIRMAN MOSCONE: CALL THE QUESTION. ALL  
3 IN FAVOR? OPPOSED? NONE; SO ORDERED.

4 WE'LL WIND UP WITH ITEM NO. 6. THE OTHER  
5 ITEM 3 AND 5 ARE SET FOR TOMORROW.

6 MR. EOWAN: WE HAVE SOME PEOPLE HERE FOR ITEM  
7 13, MR. CHAIRMAN.

8 VICE CHAIRMAN MOSCONE: VERY WELL.

9 BOARD MEMBER BREMBERG: THEY LEFT.

10 MR. EOWAN: WE DID HAVE. IN THAT CASE --

11 VICE CHAIRMAN MOSCONE: TAKE NO. 6, COUNTY SOLID  
12 WASTE MANAGEMENT PLANS.

13 MR. IWAHIRO: AS USUAL, GEORGE LARSON, WILL  
14 BRIEF US ON THIS ITEM.

15 MR. LARSON: MR. CHAIRMAN, MEMBERS, OUR REGULAR  
16 AGENDA ITEM TO UPDATE THE BOARD ON THE STATUS OF COUNTY  
17 SOLID WASTE MANAGEMENT PLANS IN THE STATE. AND DIRECTING  
18 THE BOARD'S ATTENTION TO THE SLIDE, AND CORRECTING THE  
19 FIRST ITEM, SINCE THE BOARD JUST APPROVED THE HUMBOLDT  
20 COUNTY PLAN, WE NOW HAVE 50 COUNTY SOLID WASTE MANAGEMENT  
21 PLANS WHICH CURRENT AND COMPLETE IN THE STATE.

22 THE SACRAMENTO COUNTY SOLID WASTE  
23 MANAGEMENT PLAN WAS PARTIALLY APPROVED BY A BOARD A  
24 PREVIOUS ACTION. I CAN REPORT TODAY THAT THE REVISED OR  
25 CORRECTED, UPDATED VERSION HAS BEEN SUBMITTED AND WILL BE



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1 AGENDAD FOR CONSIDERATION BY THE BOARD IN THE MARCH  
2 MEETING.

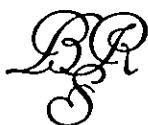
3 THE SUTTER/YUBA COUNTY SOLID WASTE  
4 MANAGEMENT PLAN IS TO BE RESUBMITTED BY MAY OF THIS YEAR.  
5 AND, CURRENTLY, WE HAVE FIVE COUNTY SOLID WASTE  
6 MANAGEMENT PLANS WHICH ARE DELINQUENT.

7 THE SISKIYOU COSWMP REVISION WILL BE HEARD  
8 TOMORROW FOR CONSIDERATION. THE DEL NORTE, ORANGE, AND  
9 SAN MATEO PLANS ARE DELINQUENT, AND WE HAVE BEGUN THE  
10 PROCESS OF REFERRAL OF THESE COUNTY SOLID WASTE  
11 MANAGEMENT PLANS TO THE ATTORNEY GENERAL'S OFFICE.

12 BOARD MEMBER BEAUTROW: GEORGE, ORANGE COUNTY IS  
13 A REAL SURPRISE TO ME BECAUSE -- THIS HASN'T APPEARED  
14 BEFORE, HAS IT? IT WASN'T ON OUR LAST REPORT.

15 MR. LARSON: WE TALKED ABOUT IT. WE CAN REFER  
16 TO THE HISTORY SECTION AS TO WHAT DATE IT WAS TO BE  
17 SUBMITTED BY. WE HAVE -- IT WAS SUPPOSED TO BE SUBMITTED  
18 BY THE 7TH. PERHAPS I SHOULD LET MR. SMITH HANDLE THE  
19 SPECIFICS ON THIS BECAUSE WE'VE BEEN IN CONTACT WITH MR.  
20 FRANK BOWERMAN OF ORANGE COUNTY, AND HE'S BEEN MADE AWARE  
21 THAT, AS ALL OTHER COUNTIES THAT ARE DELINQUENT, IT WILL  
22 BE REFERRED TO THE ATTORNEY GENERAL'S OFFICE. AND I  
23 DON'T HAVE A SPECIFIC DATE BY WHICH WE ANTICIPATE  
24 RECEIVING TO REPORT TO YOU TODAY.

25 MR. SMITH, DO YOU HAVE ANY OTHER FURTHER



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1 INFORMATION ON ORANGE COUNTY?

2 MR. SMITH: JUST TO ANSWER MR. BEAUTROW'S  
3 QUESTION, IT WASN'T ON THE LAST ITEM; BUT AS AN UPDATE, I  
4 DID INDICATE TO YOU THAT WE HAD RECEIVED A LETTER FROM  
5 FRANK BOWERMAN STATING THAT THEY WOULD BE UNABLE TO MEET  
6 THE FEBRUARY 7TH SUBMITTAL DATE BECAUSE THEIR PRIMARY  
7 STAFF PERSON HAD BEEN IN JURY DUTY FOR A LONG TIME ON  
8 SOME MURDER CASE, AND THEY HAD EXTENSIVE COMMENTS TO  
9 RESPOND TO.

10 BOARD MEMBER BEAUTROW: I HOPE IT WASN'T RICHARD  
11 RAMERIZ. THAT MIGHT GO A COUPLE OF YEARS.

12 MR. SMITH: I WOULD SAY PROBABLY WITHIN TWO TO  
13 THREE MONTHS, IF EVERYTHING GOES SMOOTHLY, WE WILL  
14 PROBABLY SEE IT. THEY HAVEN'T YET STARTED -- THEY  
15 HAVEN'T SENT THE FINAL PLAN OUT. I WOULD SAY WITHIN TWO  
16 TO THREE MONTHS, PROBABLY. THEY HAD INDICATED ALL ALONG,  
17 UP UNTIL EARLY JANUARY, THAT THEY WERE GOING TO GET IT IN  
18 ON TIME. THAT'S THE CURRENT STATUS.

19 BOARD MEMBER BEAUTROW: JUST A COMMENT. I MEAN,  
20 I REALIZE THAT STAFFING IS ALL IMPORTANT, BUT, I MEAN,  
21 YOU CAN'T -- EVERYTHING CAN'T HINGE ON JUST ONE PERSON'S  
22 RESPONSIBILITY, ESPECIALLY IN A BIG AGENCY LIKE THAT.  
23 I'M REALLY KIND OF SURPRISED, AND I HOPE THAT WE CAN GET  
24 SOME MORE RESPONSE OUT OF THEM. I'M REALLY SHOCKED AT  
25 THAT.

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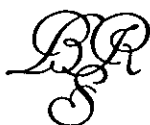
1 MR. SMITH: WE ARE WORKING WITH THEM TO TRY AND  
2 GET IT IN AS SOON AS POSSIBLE.

3 MR. LARSON: AND, OF COURSE, THE ONGOING  
4 NEGOTIATIONS AND SITUATION IN CONTRA COSTA COUNTY  
5 LINGERS, AND NEGOTIATIONS ARE PROCEEDING ON THE  
6 CONSIDERATION AND AGREEMENT TO THE CONSENT DECREE FOR --  
7 BETWEEN THE COUNTY OF CONTRA COSTA AND THE ATTORNEY  
8 GENERAL'S OFFICE FOR THE REVISION OF THAT DELINQUENT  
9 PLAN.

10 OUR STAFF CONTACTED THE CLERK OF THE BOARD  
11 OF SUPERVISORS THAT -- WHO MET YESTERDAY, AND NO ACTION  
12 WAS TAKEN YESTERDAY TO FINALIZE THE APPROVAL OF THIS  
13 DECREE; HOWEVER, IN CONVERSATIONS WITH MR. DAVE O'KITA,  
14 THEY EXPECTED THAT SUCH AN AGREEMENT BETWEEN THE COUNTY  
15 AND THE ATTORNEY GENERAL'S OFFICE WOULD BE FORTHCOMING BY  
16 THE END OF THIS WEEK, BY FRIDAY OF THIS WEEK.

17 SINCE WE'RE MEETING THROUGH FRIDAY, WE WILL  
18 CERTAINLY FOLLOW UP ON THAT PHONE CALL TO SEE WHAT  
19 ACTIONS WERE TAKEN AND INCLUDE IN IT IN SIGNIFICANT STAFF  
20 ACTIVITIES. AND, ALSO, OUR STAFF COUNSEL REMINDS ME THAT  
21 THERE WILL BE A CLOSED SESSION TO DISCUSS THIS ENTIRE  
22 ISSUE, I BELIEVE, ON FRIDAY; IS THAT CORRECT, MR.  
23 CONHEIM?

24 I WOULD LIKE TO POINT OUT FOR THE BOARD'S  
25 INFORMATION ON PAGE 121 IS A LISTING OF ALL THE CURRENT



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1 COUNTY SOLID WASTE MANAGEMENT PLANS WHICH INDICATE  
2 SPECIFIC REVISION DATES. AND TO DRAW YOUR ATTENTION TO  
3 THE FACT THAT ITEM 16 ON THAT LIST, BUTTE COUNTY, IS  
4 MARKED WITH AN INDICATOR AT THE BOTTOM THAT IN -- THAT  
5 RELATES THAT THE PLAN REVIEW REPORT IS DELINQUENT.

6 WE HAVE CONTACTED BUTTE COUNTY. THEY HAVE  
7 PREPARED THEIR PLAN REVIEW REPORT, AND OUR STAFF WILL BE  
8 VISITING NEXT TUESDAY IN BUTTE COUNTY TO REVIEW THE  
9 ADEQUACY OF THAT AND EXPEDITE THE SUBMITTAL OF THE PLAN  
10 REVIEW REPORT.

11 ALL OTHER COUNTIES WE HAVE ARE ON SCHEDULE,  
12 IN-HOUSE, AND UNDER CURRENT REVIEW, AND WE HAVE TWO  
13 COUNTIES SCHEDULED FOR CONSIDERATION AT THE MARCH  
14 MEETING.

15 WITH THE GUIDANCE OF OUR STAFF COUNSEL IN  
16 THE AREA OF THE CONTRA COSTA ISSUE, I'D BE GLAD TO TRY TO  
17 RESPOND TO ANY QUESTIONS OR COMMENTS FROM THE BOARD ON  
18 THE STATUS OF COSWMPS.

19 VICE CHAIRMAN MOSCONE: ANY QUESTIONS? ANY  
20 COMMENTS? THANK YOU, GEORGE.

21 WOULD THE BOARD WISH TO CONTINUE OR CALL IT  
22 A DAY? WELL, WE'VE COMPLETED WITH THE EXCEPTION OF SOME  
23 THAT WE HAVE SET ASIDE OR WANT TO BE HEARD TOMORROW. WE  
24 HAVE COMPLETED AT LEAST, EXCEPT FOR THOSE TWO ITEMS,  
25 WE'VE COMPLETED THE FIRST PAGE. SO WE WILL RECESS, THEN,



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1 UNTIL TOMORROW MORNING AT 9 A.M.

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3 (END OF PROCEEDINGS.)  
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1  
2  
3 REPORTER'S CERTIFICATE  
4  
5  
6

7 I, BETH C. DRAIN, HEREBY CERTIFY THAT ON THE  
8 15TH DAY OF FEBRUARY 1988, I DID REPORT IN SHORTHAND THE  
9 TESTIMONY AND PROCEEDINGS OF THE FOREGOING HEARING; THAT  
10 AT THE CONCLUSION OF THE ABOVE-ENTITLED MATTER, I DID  
11 TRANSCRIBE MY SHORTHAND NOTES INTO TYPEWRITING; AND THAT  
12 THE FOREGOING TRANSCRIPT IS A TRUE, AND CORRECT COPY OF MY  
13 SHORTHAND NOTES THEREOF.  
14  
15  
16

17  
18 Beth C. Drain

19 CERTIFIED SHORTHAND REPORTER

20 CERTIFICATE NO. 7152  
21  
22  
23  
24  
25

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